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NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

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The New Mexico Economy 1988

U.S. REVIEW

As measured by the real gross national product (GNP), the U.S. economy continued to expand during 1987 (up 2.9 percent). The civilian unemployment rate declined to 6.2 percent in 1987, down from 7.0 percent in 1986. Inflation for the year, as measured by the CPI-U, increased by a moderate 3.6 percent. These most watched "health" indicators suggest the U.S. economy did reasonably well in 1987. However, major economic events of the year, including the steep depreciation of the dollar, the October 19 stock market crash and the somewhat reluctant approach to budget-cutting displayed by the Congress, suggest the nation's economy is in a state of transition.

Benefiting from the decline of the dollar, the U.S. trade balance improved substantially, especially during late 1987. The merchandise trade deficit declined from $17.6 billion in October to $13.2 billion in November and still further to $12.2 billion in December. Yet for all of 1987, the trade deficit was estimated to be at a record high of $171 billion. The high trade deficit between the U.S. and certain trading partners such as Japan, Korea and West Germany has raised concern that the U.S. might raise trade barriers and help perpetuate a "trade war" with the rest of the world.

According to most analysts, the October stock market crash was expected to contribute to an economic slowdown. The share-price drop wiped out about $750 billion from the portfolio of investors. Such a decline in wealth was expected to negatively impact consumer spending and business investment. Although other factors have seemed to compensate for any impact on investment, preliminary data do show that the Christmas holiday season was one of the worst in several years. Total retail sales in December 1987, excluding the automotive group, were only 2.3 percent higher compared to December 1986.

On a unified budget basis, the federal budget ended FY 1987 with a deficit of about $149 billion. In the current fiscal year, the deficit is expected to widen to $161.5 billion or about 3.5 percent of GNP. Although the Reagan administration projects a steadily declining budget deficit over time, other analysts (including the Congressional Budget Office) see the annual deficit remaining near $150 billion over the next 3 or 4 years. Any effort to reduce the deficit will have to be instigated by Reagan's successor.

NEW MEXICO REVIEW

Total state personal income in New Mexico was estimated to be 3.5 percent higher in 1987 compared to 1986. This rate of growth was the lowest experienced by New Mexico during the 1980's. Wage and salary disbursements were estimated to be only 2.3 percent higher in 1987. Dividends/interest/rent payments were estimated to have increased by 3.5 percent while the transfer payment component of personal income grew by 4.3 percent. The quarterly data for both total personal income as well as wage and salary disbursements indicate a pattern of progressively higher growth throughout 1987.

Per capita income in New Mexico grew slowly during 1986 (up 1.9 percent). Although low by national standards, this rate of growth exceeds that experienced in the neighboring states of Texas and Oklahoma. (See table on page 2).

The state's unemployment rate declined during 1987 to 8.9 percent from the year-ago level of 9.2 percent. This decline in the overall state rate can be attributed to gains outside the metropolitan areas of Albuquerque, Las Cruces and Santa Fe, each of which sustained the same or higher unemployment rates in 1987. The slow growth of the labor force as well as new jobs in the mining and manufacturing sectors in the nonmetropolitan areas of the state were primarily responsible for this reduction in the unemployment rate.

Employment in the State grew only slightly during 1987. For the entire state, there were 0.3 percent more jobs in 1987. Albuquerque's job growth of 1.6 percent exceeded the State's average while, according to published New Mexico Department of Labor data, Las Cruces sustained only a slight gain in employment of 0.2 percent. In the Santa Fe MSA (Santa Fe and

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PER CAPITA INCOME [1]
SOUTHWEST AND ROCKY MOUNTAIN REGIONS

	1985	1986	% Change	National Rank 1986
SOUTHWEST	$13,086	$13,195	0.8	NA
Arizona	12,818	13,474	5.1	27
NEW MEXICO	11,210	11,422	1.9	41
Oklahoma	12,173	12,283	0.9	37
Texas	13,488	13,478	-0.1	26
ROCKY MOUNTAIN	$12,694	$13,146	3.6	NA
Colorado	14,683	15,234	3.8	12
Idaho	10,859	11,223	3.4	45
Montana	11,031	11,803	7.0	40
Utah	10,661	10,981	3.0	48
Wyoming	12,940	12,781	-1.2	34
U.S. AVERAGE	$13,907	$14,641	5.3	NA

NA Not applicable.
1 By place of residence.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Los Alamos counties), nonagricultural employment increased by 1.7 percent.

The past year was a period of contrast in New Mexico. While the income-sensitive sectors of trade, services and finance, insurance and real estate (FIRE) saw slower growth, the "basic" manufacturing and mining sectors picked up momentum during 1987. With a few exceptions, 1987 was a dismal year for construction with especially sharp declines in multi-family activity. With the exception of local government (primarily schools), employment in the government sector was flat in 1987.

The 3.0 percent gain in service jobs during 1987, although below the U.S. gain of 4.4 percent, is strong in light of the weak growth of personal income in the state. All the state's metropolitan areas saw service employment gains in excess of 3 percent with Las Cruces registering an especially strong 10.5 percent gain. The large services subsectors, health and business services, both saw employment gains in excess of 3 percent during 1987.

Employment growth in the other large income-sensitive sector, trade, was only 1.3 percent during 1987. Trade employment growth in Albuquerque, Las Cruces and Santa Fe all exceeded the State's average. The areas of the state outside the metropolitan communities suffered an actual drop in trade employment during the past year.

The two primary sectors, manufacturing and mining, were bright spots in the state's economy during 1987. Manufacturing employment was up 2.7 percent compared to 1986. Job gains in transportation equipment production outside of Albuquerque were primarily responsible for the growth in the number of manufacturing jobs. Albuquerque saw only moderate growth (1.5 percent) in manufacturing employment during 1987.

After taking a severe beating during 1986, higher oil and natural gas prices stimulated a mild recovery in the oil and gas extraction sector during the last half of 1987. After reaching a low of 8,400 jobs in the first quarter of 1987, about 1,000 oil and gas jobs were added during the second half of the year. Yet, the average employment of about 9,400 in the oil and gas sector during the fourth quarter 1987 is still far below the 1985 average employment of 13,600.

Oil and gas well completion data also suggest there has been improvement in the oil and gas sectors. Oil well completions during the fourth quarter of 1987 (157) were up from the 1986 quarterly low of 101. The rate of gas well completions during the fourth quarter (66) was 43 percent higher than year-ago activity. State oil production during the third quarter of 1987 approached 18 million barrels while natural gas production during the same period was nearly 210 billion cubic ft., making this the highest gas output since the fourth quarter, 1985.

Metal mining employment (primarily in the copper industry) levelled off at about 2,100 jobs in 1987. Copper prices near $1 per pound clearly benefited this sector. The number of coal/nonmetal mining employees remained at around 4,000.

Overall, the New Mexico Department of Labor estimated that total government employment growth in the state was flat during 1987. Federal government employment increased by 1.3 percent during the past year with virtually all the gains occurring in Albuquerque. Local government employment, spurred by the hiring of new teachers and aides at the elementary level, saw a strong gain of 3.1 percent. A decline in state government employment offset the gain at the local and federal level. However, difficulty in accurately counting work-study students at New Mexico State University (Las Cruces) and at the University of New Mexico (Albuquerque) seems to account for a share of this "decline."

For 1987, the value of all construction contracts, as reported by F. W. Dodge, fell by about 5 percent in New Mexico. The sharp 10.0 percent decline in state construction employment during 1987 was consistent with the decline in the value of construction contracts. During 1987, construction in New Mexico was supported by public sector activity. Large increases in expenditures were seen in street/highway, airport and communications-related construction. Commercial building and residential construction slumped during the past year. The table on page 3 illustrates these trends for the state and selected areas.

During the past year, both the single and multi-family housing sectors experienced weak activity. The number of single-family permit authorizations in the state fell by 10.5 percent. Authorizations of multi-family units declined even more steeply (down 43.1 percent) to 1,930 units, the lowest level of activity since the recession year of 1975.

With the exception of Las Cruces and Roswell, every major city in New Mexico authorized fewer residential units for construction in 1987 compared to 1986. Albuquerque reported the largest absolute decline in housing authorizations in 1987 (1,799 fewer units). Significant percentage declines in residential construction activity occurred in Alamogordo, Albuquerque, Clovis, Rio Rancho and Ruidoso. Las Cruces bucked statewide trends by sustaining a 22 percent increase in housing unit authorizations during 1987. Housing unit authorizations

PERCENT CHANGE IN THE VALUE OF CONSTRUCTION CONTRACTS FROM 1986 TO 1987

Area	Total (%)	Nonresidential Buildings (%)	Residential Buildings (%)	Nonbuilding Construction (%)
Albuquerque MSA [1]	-3	17	-18	4
Santa Fe MSA	-16	-18	-21	18
Los Alamos County	-19	-27	-11	62
Santa Fe County	-15	-12	-27	11
Las Cruces MSA [2]	8	-26	-12	182
Sandoval County	21	3	27	41
New Mexico	-5	-7	-14	17

1 Bernalillo County.
2 Dona Ana County.

Source: F.W. Dodge Division, McGraw-Hill Information Systems Co.

were up 81 percent in Roswell with 185 single and multi-family units authorized in 1987.

Employment in the State's smaller sectors, transportation, communications and utilities (TCU) and FIRE, changed moderately during 1987. In TCU, the number of jobs actually declined with all the losses occurring outside the metropolitan areas. The minimal gain in FIRE employment (up 1.9 percent) during 1987 is undoubtedly related to the slowdown in income gowth in the State. The Albuquerque area, where FIRE employment increased by over 4 percent, accounted for virtually all the state's growth in this sector.

U.S. OUTLOOK

Most observers expect 1988 to be another year of positive economic growth for the U.S. Real GNP is projected to increase by 2 percent. The unemployment rate is expected to average slightly below 6 percent for the year. It is anticipated that inflation in 1988 will be similar to that seen during 1987, with forecasts ranging from 3.4 to 4.0 percent.

One key aspect is likely to characterize the growth in the U.S. economy—it will be an export-led recovery. The decline of the dollar has contributed to a significant turnaround in the U.S. export position. American exporters are anticipating strong demand abroad thanks to their improved competitiveness.

A squeeze on consumer spending and slightly tighter fiscal policy will dampen domestic demand a bit during 1988. The recent gains in GNP are at least partially the result of inventory accumulation. The need to reduce inventories along with cautiousness among consumers is expected to restrain business orders. On the other hand, orders for export and investment are expected to remain strong. The net result will likely be positive, but moderate, overall growth in 1988.

NEW MEXICO OUTLOOK

After averaging 3.5 percent growth in 1987, personal income is expected to pick up over the next few years. Current expectations are for gains of 4.2 and 5.4 percent, respectively, for 1988 and 1989. Wage and salary increases in the 4 to 5 percent range are expected over the next two years.

After registering a miniscule 0.3 percent gain in employment during 1987, an increase of 1.5 percent in total jobs is likely during 1988. Consistent with the trends at the national level, New Mexico's export sectors, manufacturing and mining, are projected to grow quite strongly during 1988. Employment growth of 4.5 percent in 1988 and 2.5 percent in 1989 are expected in state manufacturing employment, far exceeding the job forecast at the national level. Major expansion or plant openings scheduled over the next few years include Signetics, Ethicon and Digital (Albuquerque), Lukens and Intel (Rio Rancho), Avonite (Belen), Transportation Manufacturing Corporation (Roswell) and Dona Ana Fashions and Cloud Country Fashions (Las Cruces). One plant, Honeywell in Las Cruces, has indicated that 110 jobs will be eliminated during 1988.

The forecast for the mining sector is generally rosy for the next few years. Oil prices near $17.75 per barrel in 1988 (Data Resources Incorporated, DRI, forecast) are likely to keep oil and gas extraction employment close to the 9,500 level, a 7 percent increase over 1987 employment. Although no significant employment gains are anticipated, high copper prices will likely keep New Mexico metal mining unemployment in the 2,100-2,200 range. After averaging about 4,000 jobs during 1987, the coal/nonmetal mining subsector is projected to see a slight drop in employment during 1988. The recent decision of the Pittsburg and Midway Coal Mining Co. to lay off 75 employees is directly related to the softness in the coal market.

New Mexico's three largest sectors, government, services and trade, are all likely to see slow growth in 1988 and 1989. After seeing virtually no growth in 1987, government employment is expected to increase about 1 percent in 1988. The projection of a real decline in defense expenditures by DRI for FY 1989 suggests little likelihood of any additional boost from federal expenditures for the state's economy over the next few years.

After growing by 3 percent during 1987, service employment is expected to expand by about 2 percent in 1988. The trade sector saw even weaker growth in 1987 (1.3 percent). Current expectations are that this sector will grow by about 1.5 percent during 1988.

After suffering about a 10 percent employment loss during 1987, the construction sector is expected to see still further, though moderate declines, during 1988. Most observers seem to feel that both single and multi-family construction will pick up over the next few years. Single family construction in the state is projected to reach more than 8,300 units by 1990. Large public projects are likely to stimulate the construction sector in the state over the next few years. Major projects include the Free Electron Laser facility near Orogrande, WIPP-related road construction near Carlsbad and continued work on the airport expansion in Albuquerque. Also, in late 1988 construction will likely begin on the Albuquerque Convention Center expansion.

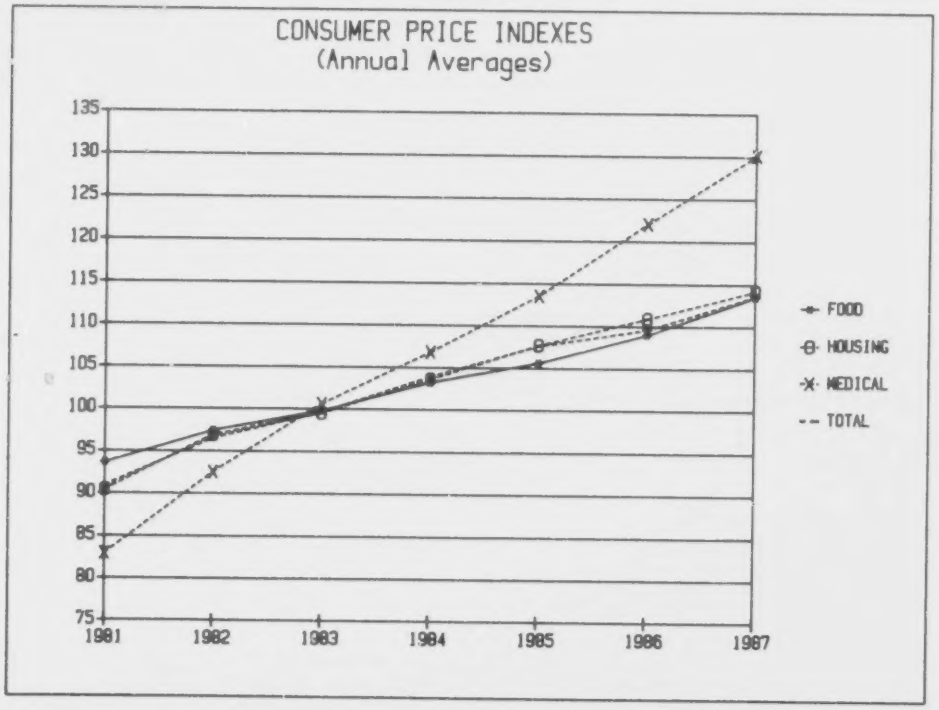
David Boldt
Economist

PRICE INDEXES

SELECTED U.S. PRICE AND COST INDEXES
1977 AND 1981-1987
ANNUAL AVERAGES

	1977	1981	1982	1983	1984	1985	1986	1987[P]	% Change 1986-1987
CONSUMER PRICE INDEX[1]									
ALL ITEMS (1982-1984=100)[2]	60.6	90.9	96.5	99.6	103.9	107.6	109.6	113.6	3.6
Food	65.5	93.6	97.4	99.4	103.2	105.6	109.0	113.5	4.1
Housing	57.4	90.4	96.9	99.5	103.6	107.7	110.9	114.2	3.0
Medical Care	57.0	82.9	92.5	100.6	106.8	113.5	122.0	130.1	6.6
PRODUCER PRICE INDEX									
ALL COMMODITIES (1982=100)[2]	64.9	98.0	100.0	101.3	103.7	103.2	100.2	102.8	2.6
Finished Goods	64.7	96.1	100.0	101.6	103.7	104.7	103.2	105.4	2.1
Finished Consumer Foods	73.3	97.8	100.0	101.0	105.4	104.6	107.3	109.5	2.1
Finished Energy Goods	39.7	101.5	100.0	95.2	91.2	87.6	63.0	61.8	-1.9
Intermediate Materials, Supplies & Components	64.9	98.6	100.0	100.6	103.1	102.7	99.1	101.5	2.4
Crude Materials for Further Processing	65.5	103.0	100.0	101.3	103.5	95.8	87.7	93.6	6.7
CONSTRUCTION COST INDEX[3] (1982=100)	63.6	97.1	100.0	102.6	106.4	109.6	111.8	114.5	2.4

P Preliminary.
1 All urban consumers.
2 Previous base year was 1967=100.
3 U.S. Department of Commerce composite.
Source: U.S. Department of Commerce, Business Statistics, and Survey of Current Business, various issues and U.S. Department of Labor, Bureau of Labor Statistics.

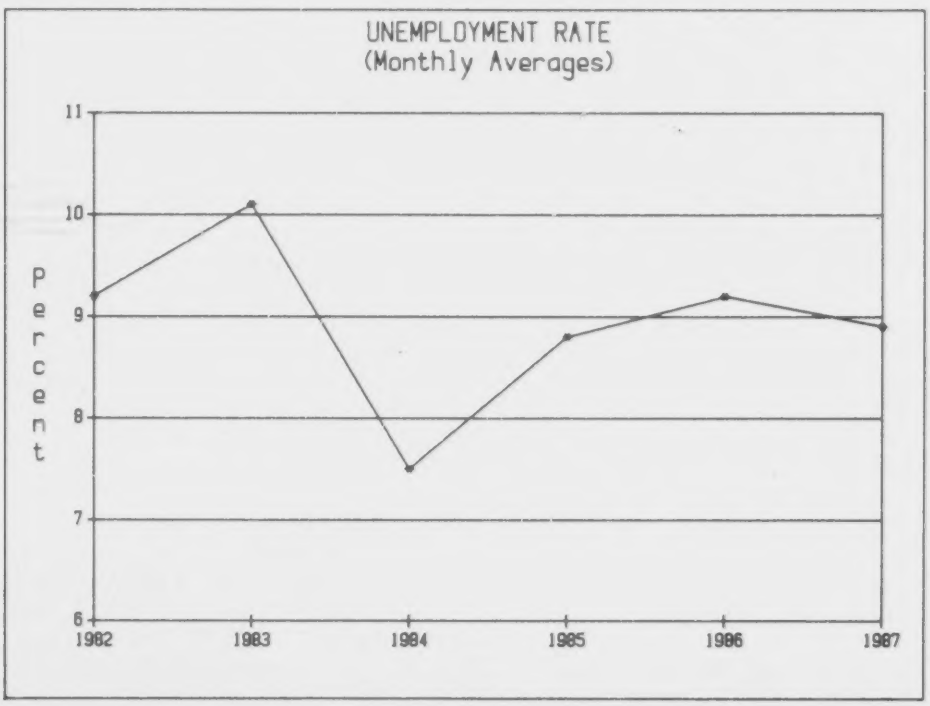


CIVILIAN EMPLOYMENT

TOTAL CIVILIAN LABOR FORCE AND JOBS IN NEW MEXICO*
(Monthly Averages)

	1977	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
TOTAL CIVILIAN LABOR FORCE	518,000	596,000	609,000	628,000	642,000	678,000	685,000	1.0
Total Employment	478,000	541,000	547,000	581,000	585,000	616,000	624,000	1.3
Total Unemployment	40,000	55,000	62,000	47,000	57,000	62,000	61,000	- 1.6
Rate (Unadjusted)	7.7	9.2	10.1	7.5	8.8	9.2	8.9	NA
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT[1]	415,400	473,600	479,500	502,800	520,700	528,100	529,500	0.3
Manufacturing	32,200	34,100	34,400	36,500	37,300	37,400	38,400	2.7
Mining	23,400	26,300	21,000	21,600	21,000	16,200	15,000	- 7.4
Contract Construction	30,700	32,100	33,700	36,600	37,500	35,100	31,600	-10.0
Transportation & Public Utilities	24,600	29,900	29,500	30,000	30,000	29,400	28,700	- 2.4
Wholesale & Retail Trade	95,500	108,300	110,700	117,500	122,600	126,300	128,000	1.3
Finance, Insurance & Real Estate	18,300	21,900	23,200	24,700	25,800	26,600	27,100	1.9
Services	79,700	95,500	99,700	106,300	113,200	118,900	122,500	3.0
Government	111,000	125,600	127,200	129,700	133,300	138,200	138,200	0.0

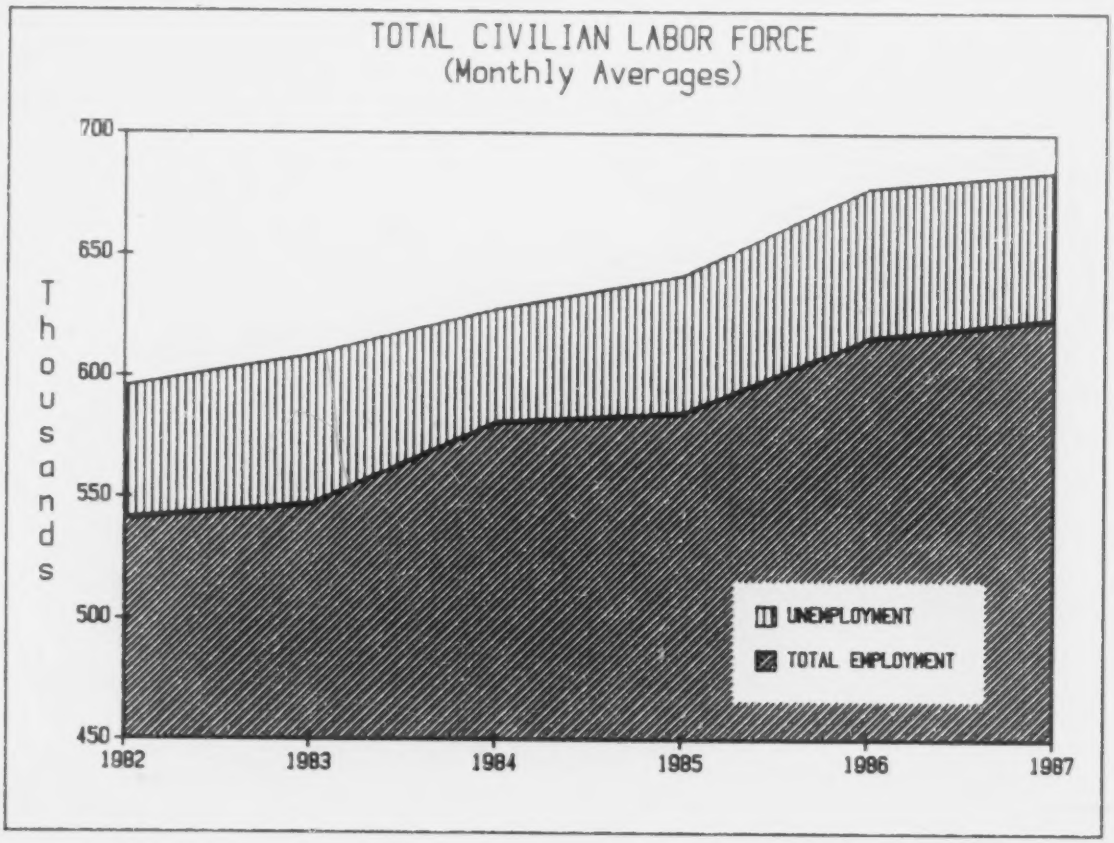
* Detail may not add to total because of rounding.
NA Not applicable.
p Preliminary.
1 Nonagricultural wage and salary employment is not strictly comparable to total civilian employment since double job holders and in-commuting workers are excluded from total civilian employment, but included in nonagricultural wage and salary employment.
Source: New Mexico Department of Labor.



AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Current Dollars)

	1977	1982	1983	1984	1985	1986	1987 p	% Change 1977-1987	% Change 1986-1987
Mining	$6.80	$11.15	$11.21	$11.50	$11.90	$12.58	$11.85	74.3	- 5.8
Construction	7.60	10.60	10.52	10.46	10.63	10.89	10.77	41.7	- 1.1
Manufacturing	4.43	7.22	7.60	7.98	8.41	8.75	8.74	97.3	- 0.1
Durable Goods	4.71	7.79	7.77	8.18	8.57	8.83	8.91	89.2	0.9
Nondurable Goods	3.97	6.01	7.21	7.53	8.07	8.57	8.29	108.8	- 3.3
Communications & Utilities	6.32	9.31	9.94	10.50	11.08	12.03	13.53	114.1	12.5
Trade [1]	4.62	6.82	7.04	6.57	6.65	6.77	6.78	46.8	0.1
Banking	3.41	4.97	5.21	5.38	5.54	5.77	5.97	75.1	3.5

p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Department of Labor.

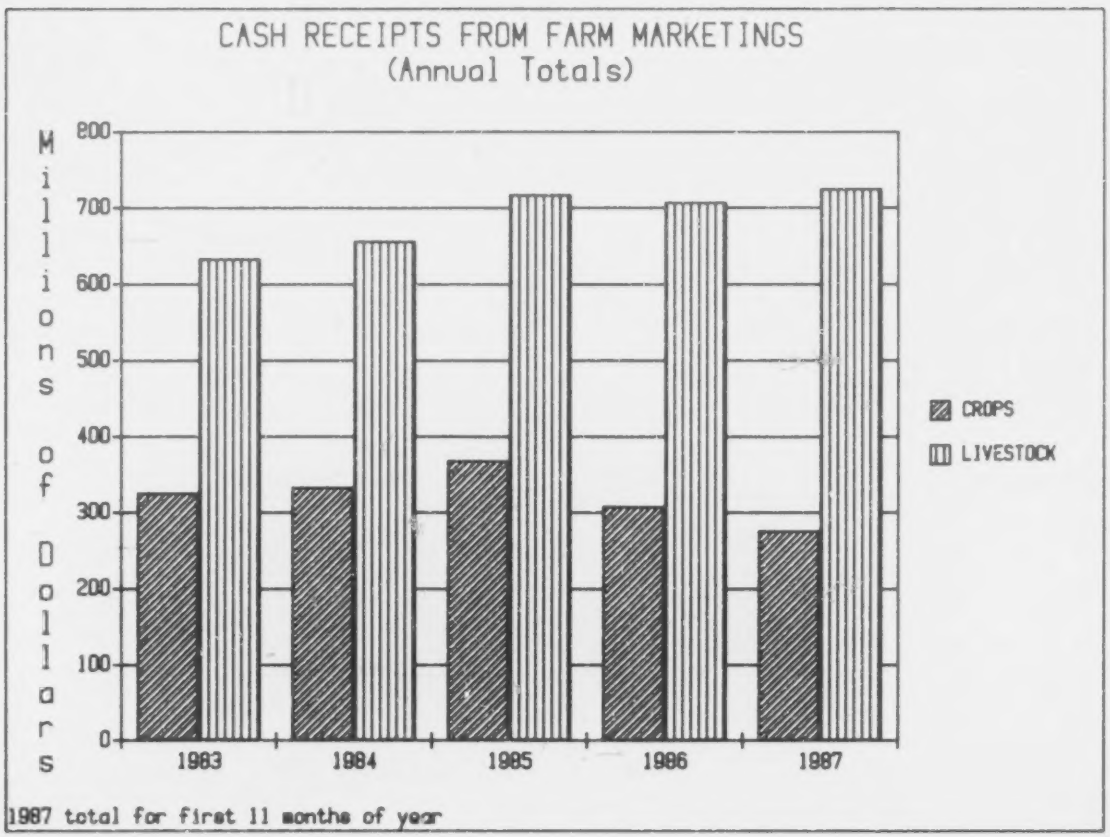


AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Constant 1987 Dollars)

	1977	1982	1983	1984	1985	1986	1987[p]	% Change 1977-1987	% Change 1986-1987
Mining	$12.75	$13.13	$12.79	$12.58	$12.57	$13.04	$11.85	- 7.1	-9.1
Construction	14.25	12.48	12.00	11.45	11.23	11.29	10.77	-24.4	-4.6
Manufacturing	8.31	8.50	8.67	8.73	8.89	9.07	8.74	5.2	-3.6
Durable Goods	8.83	9.17	8.86	8.95	9.05	9.15	8.91	0.9	-2.6
Nondurable Goods	7.45	7.08	8.23	8.24	8.53	8.88	8.29	11.3	-6.6
Communications & Utilities	11.85	10.96	11.34	11.49	11.71	12.47	13.53	14.2	8.5
Trade[1]	8.66	8.03	8.03	7.19	7.03	7.02	6.78	-21.7	-3.4
Banking	6.40	5.85	5.94	5.89	5.85	5.98	5.97	- 6.7	-0.2

p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Department Labor and the U.S. Department of Labor, Bureau of Labor Statistics.

AGRICULTURE

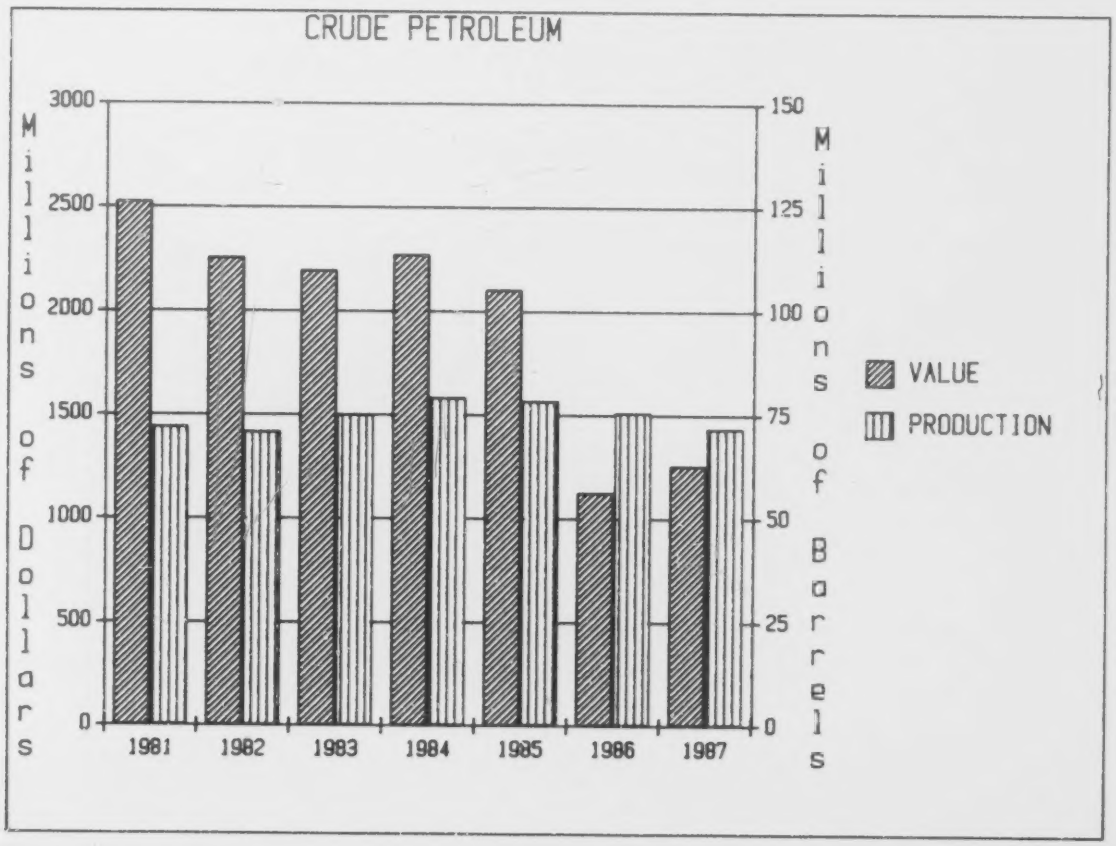


LIVESTOCK PRICES AND CASH MARKETINGS OF FARM PRODUCTS IN NEW MEXICO

	1977	1983	1984	1985	1986	1987[2]	% Change 1986-1987
PRICES TO FARMERS (Annual Averages)							
All Beef Cattle (per cwt.)[1]	$ 38.50	$ 46.50	$ 46.00	$ 49.40	$ 48.50	$ 57.00	17.5
Calves (per cwt.)[1]	36.70	65.20	63.10	68.10	65.40	81.40	24.5
Sheep (per cwt.)[1]	13.30	15.00	21.10	28.00	31.50	36.20	14.9
Lambs (per cwt.)[1]	53.10	50.10	56.80	68.80	70.80	82.50	16.5
Wool (per lb.)	0.71	0.76	0.87	0.72	0.75	1.11	48.0
CASH MARKETINGS (Annual Totals) ($000s)							
All Farm Products	$791,768	$960,791	$990,983	$1,086,180	$1,017,571	$1,003,275[3]	6.0[4]
Livestock	570,049	634,384	656,588	717,640	708,289	725,889[3]	8.6[4]
Crops	221,719	326,407	334,395	368,540	309,282	277,386[3]	-0.2[4]

1 cwt = hundred weight.
2 Subject to revision.
3 Total for the first 11 months of the year.
4 Percent change based on 11 months of 1987 compared to 11 months of 1986.
Source: U.S. Department of Agriculture, Economic Research Service and U.S. Department of Agriculture, New Mexico Agricultural Statistics Service.

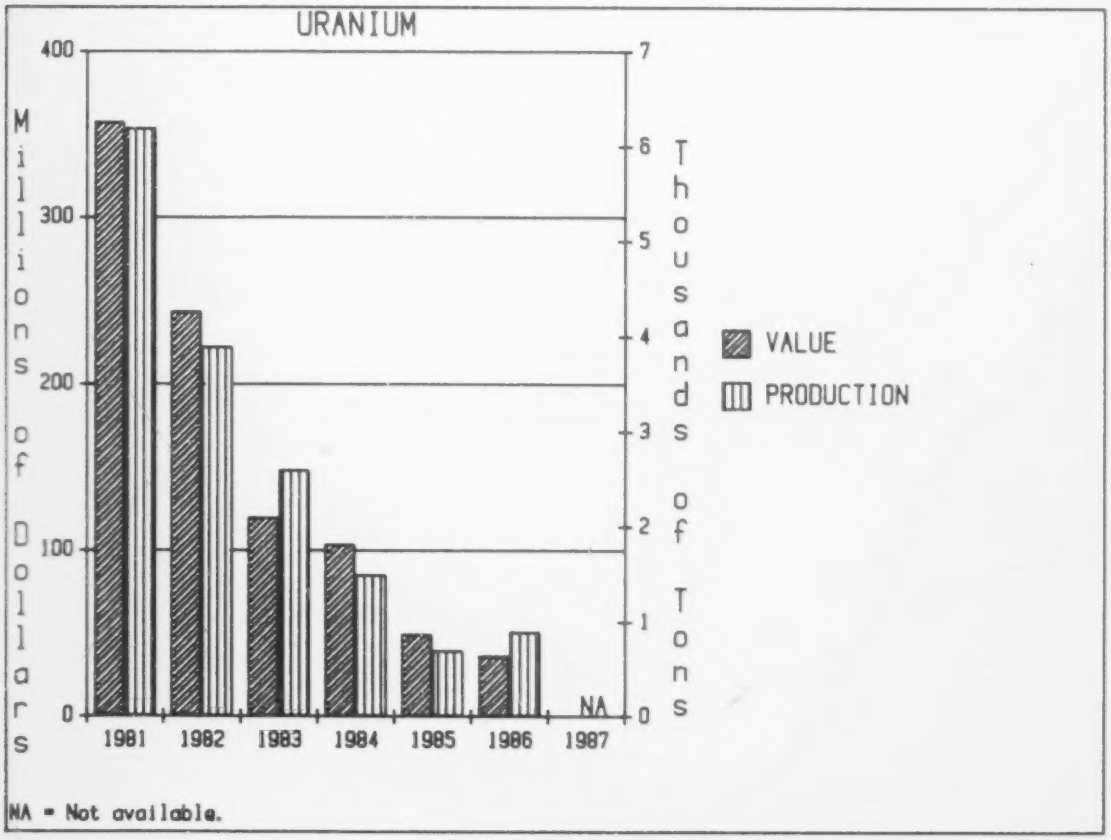
MINING



SELECTED MINERAL PRODUCTION IN NEW MEXCIO

	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
Petroleum (crude) (000 42-gal. bbls.)	87,223	72,155	71,024	75,169	79,336	78,530	75,712	71,900[2]	- 5.0
Natural Gas[1] (billion cubic ft.)	1,203	1,132	991	895	957	905	703	827[2]	17.6
Copper (000 short tons)	165	170	93	172	208	294	302	na	na
Potash (000 short tons, K_2O equivalent)	2,085	1,765	1,650	1,409	1,563	1,235	1,088	1,301	19.6
Uranium (Tons , recoverable content U_3O_8)	6,779	6,206	3,906	2,550	1,458	692	926	na	na
Coal (000 short tons)	11,083	18,709	19,944	20,415	21,279	22,203	21,496	18,078	-15.9
Sand and Gravel (000 short tons)	8,604	7,300	5,616	7,000	8,363	8,400	8,471	8,800	3.9
Perlite (000 short tons)	521	489	408	394	416	430	433	w	na
Stone (000 short tons)	1,967	4,188	2,818	4,748	4,719	3,661	3,922	3,520	-10.2
Gold (000 troy ounces)	14	66	54	w	w	45	40	w	na
Silver (000 troy ounces)	918	1,632	805	w	w	w	w	w	na

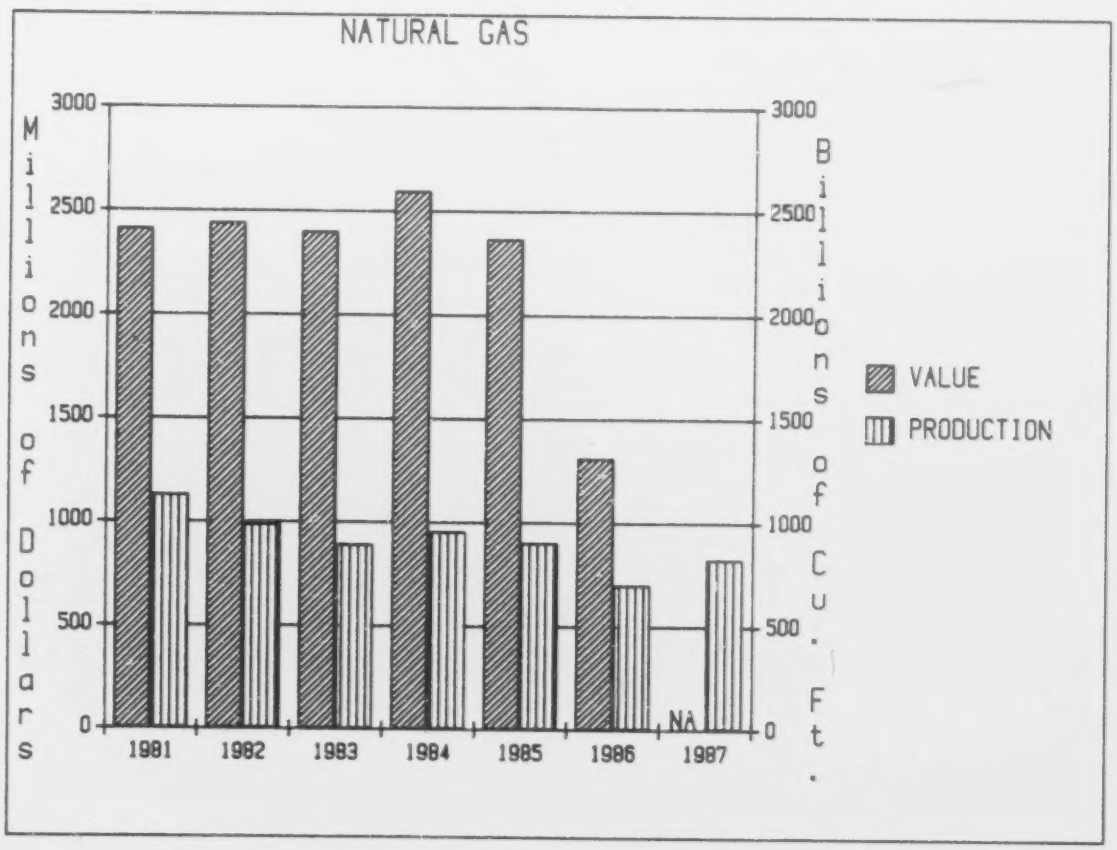
na Not available.
p Preliminary.
w Withheld to avoid disclosing individual company confidential data
1 Marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
2 Estimate based on available data.
Source: U.S. Department of the Interior, Bureau of Mines, annual report; the U.S. Department of Energy, Energy Information Administration, selected publications; and the New Mexico Energy, Minerals and Natural Resources Department.
Note: The time series for copper, coal and uranium were revised extensively.



VALUE OF MINERAL PRODUCTION IN NEW MEXICO
($000s)

	1977	1981	1982	1983	1984	1985	1986	1987	% Change 1986-1987
TOTAL[1]	$2,703,465	$6,332,913	$5,882,838	$5,607,289	$6,011,708	$5,704,654	$3,571,597	$ na	na
Crude Petroleum	805,065	2,529,032	2,261.404	2,199,445	2,276,150	2,107,745	1,130,380	1,261,400	11.6
Natural Gas [2]	974,408	2,411,301	2,443,891	2,402,769	2,599,121	2,369,980	1,314,084	na	na
Copper	220,037	289,204	97,384	w	w	254,517	390,438	w	na
Potash	169,616	261,200	204,600	174,700	204,100	156,000	132,800	141,000	6.2
Uranium	338,950	358,210	244,125	120,411	104,480	49,893	36,558	na	na
Coal	87,999	339,693	382,649	367,470	412,813	519,772	478,500	na	na
Sand & Gravel	17,685	18,000	17,670	20,000	22,389	22,800	25,862	30,600	18.3
Perlite	9,543	14,983	13,355	13,297	14,115	14,896	13,727	w	na
Stone	4,892	12,658	13,838	15,262	17,149	15,509	15,678	14,263	- 9.0
Gold	2,011	30,221	21,572	w	w	14,309	14,677	w	na
Silver	4,242	17,170	6,397	w	w	w	w	w	na
Other	69,017	51,241	175,953	293,935	361,391	179,233	18,893	492,158	NA

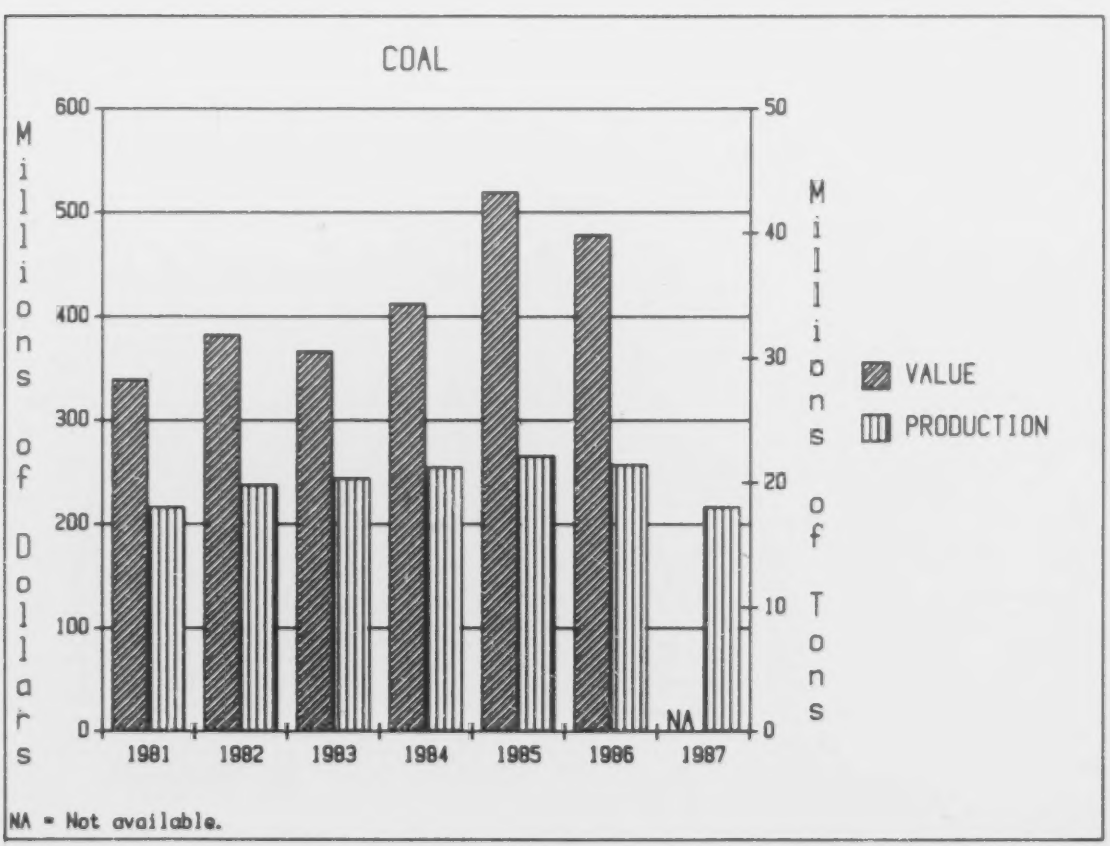
NA Not applicable.
na Not available.
p Preliminary.
w Withheld to avoid disclosing individual company confidential data; included in "Other."
1 Incomplete total, does not include the value of natural gas liquids.
2 Value of marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
Source: U.S. Department of Interior, Bureau of Mines, annual reports; U.S. Department of Energy, Energy Information Administration; and New Mexico Energy, Minerals and Natural Resources Department.
Note: The time series for uranium was revised extensively.

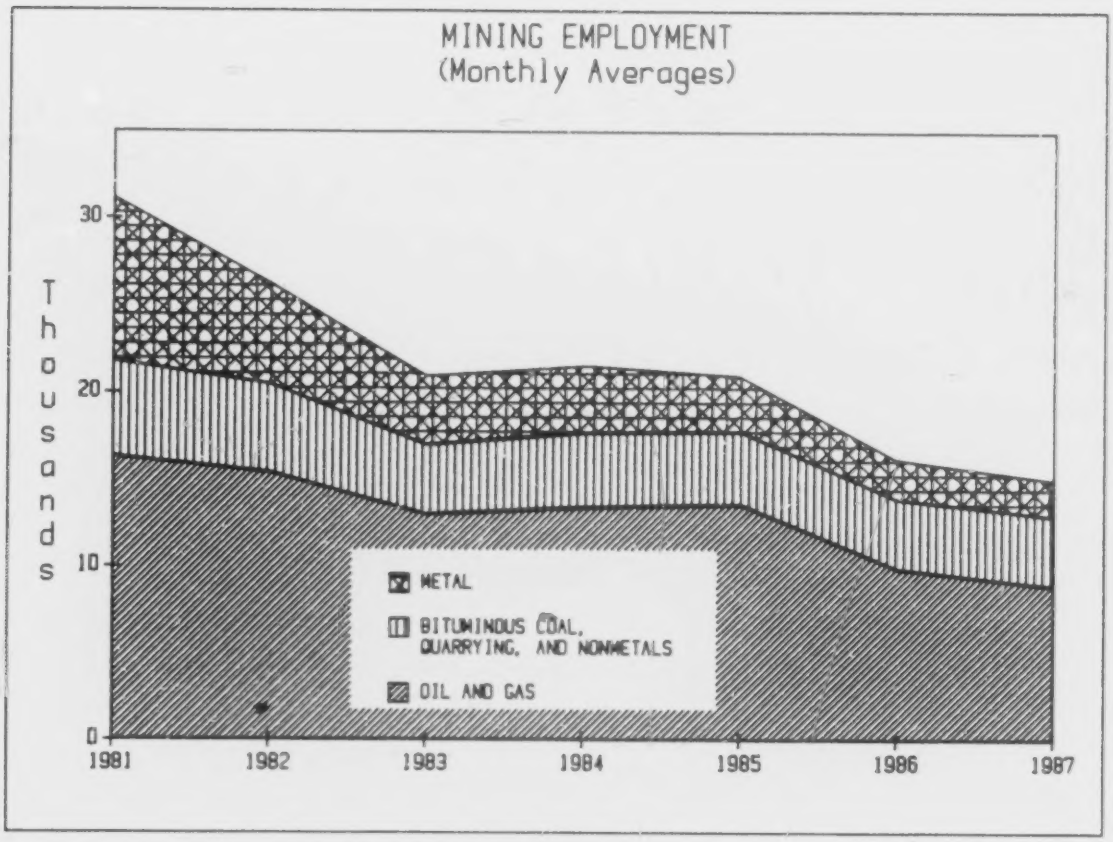


MINING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987p	% Change 1986-1987
TOTAL	23,400	31,200	26,300	21,000	21,600	21,000	16,200	15,000	-7.4
Metal	9,800	9,400	5,800	4,000	3,900	3,200	2,300	2,100	-8.7
Nonmetal	4,500	5,500	5,100	4,000	4,300	4,200	4,000	4,000	0.0
Oil & Gas	9,200	16,300	15,400	13,000	13,400	13,600	9,900	8,900	-10.1
Average Weekly Hours	42.9	44.1	42.2	42.4	41.9	42.3	40.0	42.4	6.0
Average Weekly Earnings	$291.72	$436.59	$470.53	$475.30	$481.85	$503.37	$503.20	$502.44	-0.2

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



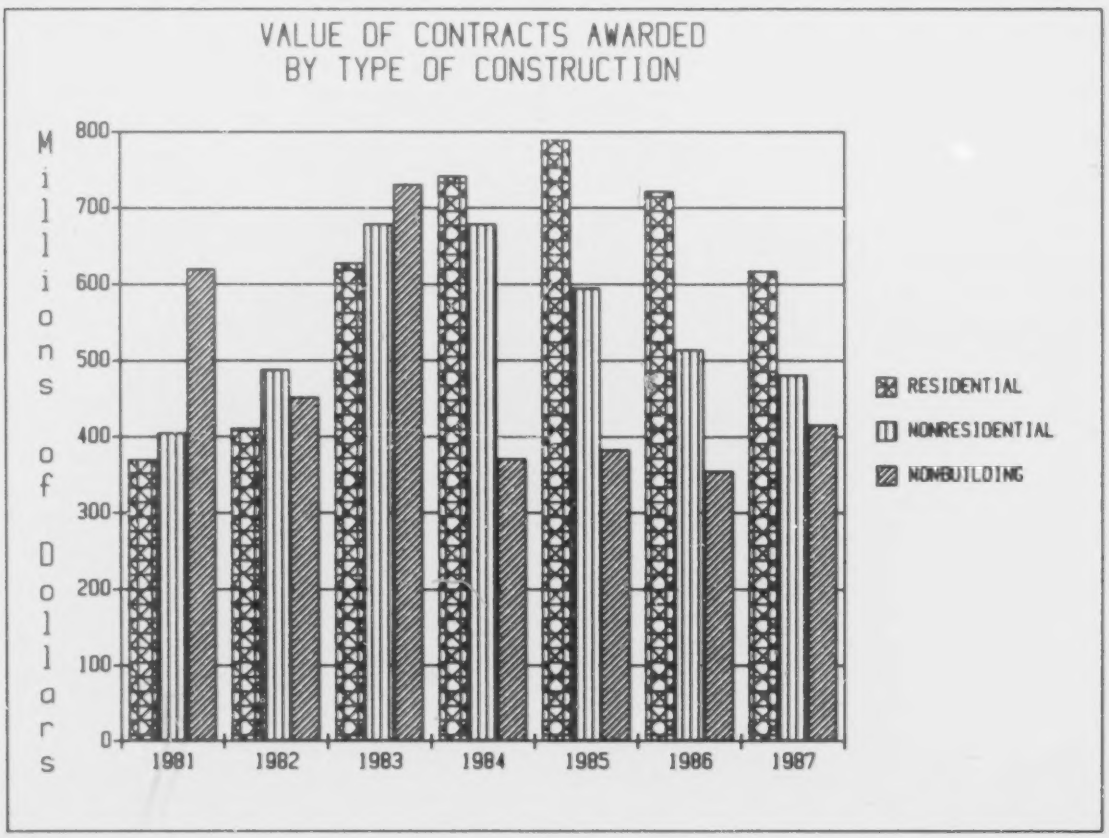

MINING EMPLOYMENT
(Monthly Averages)
Thousands
30
20
10
0
1981
1982
1983
1984
1985
1986
1987
METAL
BITUMINOUS COAL, QUARRYING, AND NONMETALS
OIL AND GAS

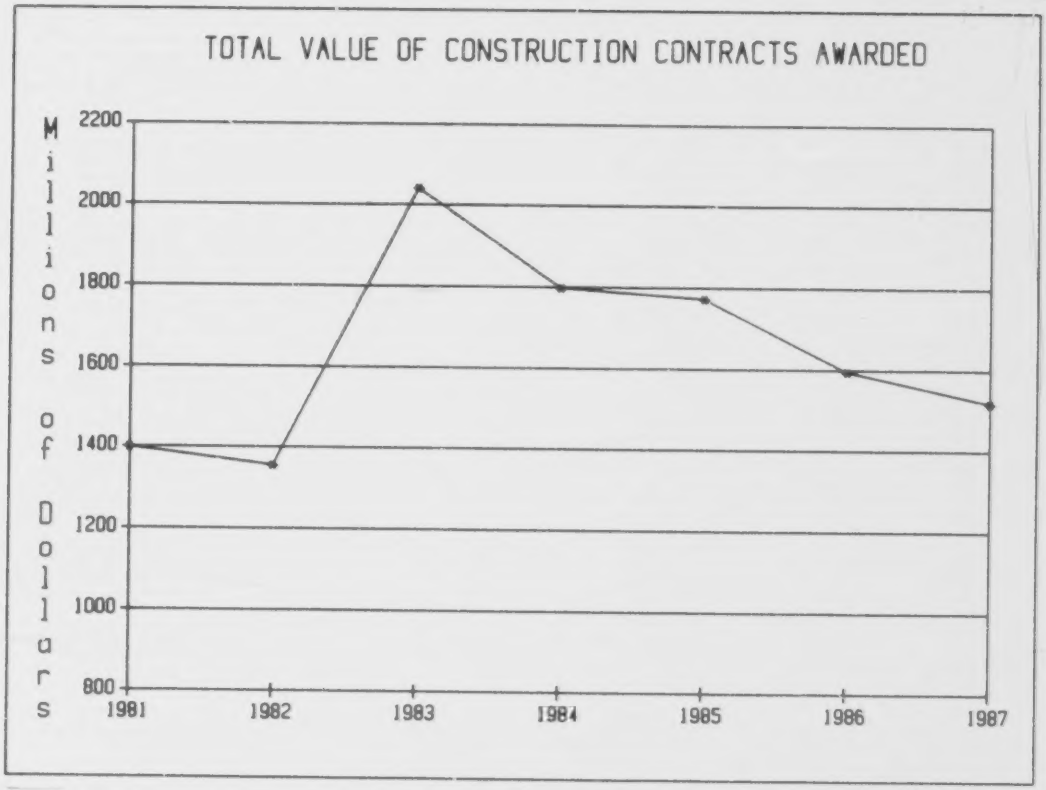
CONSTRUCTION

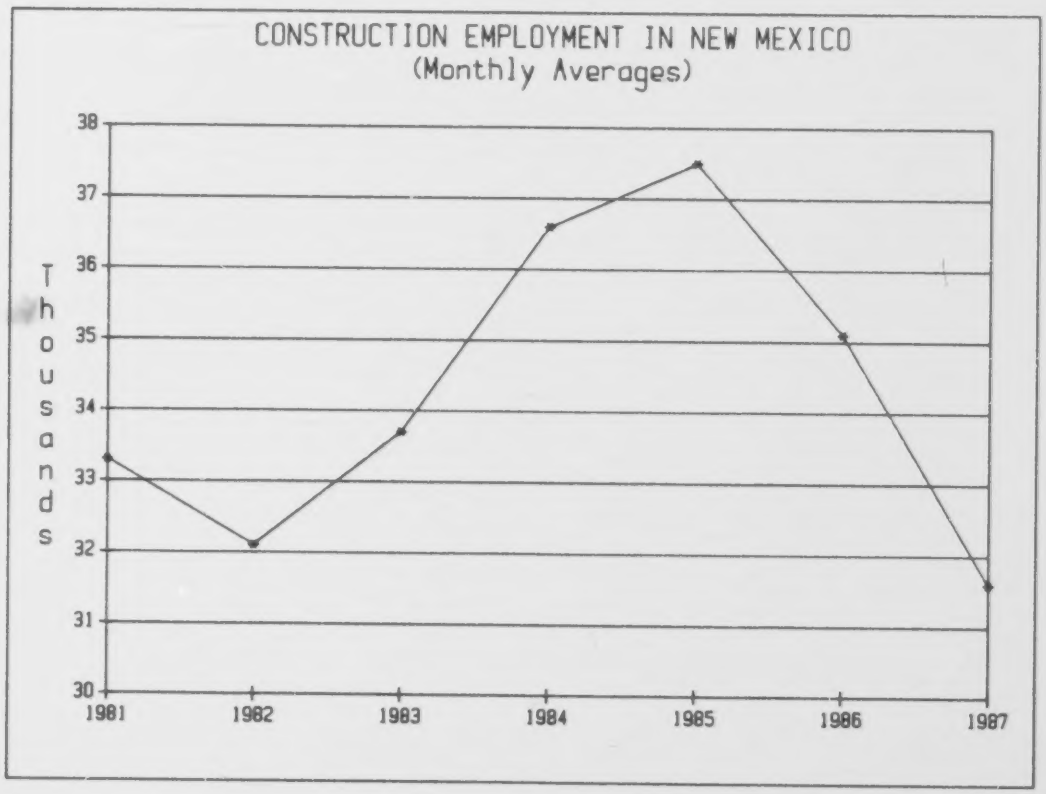
CONSTRUCTION IN NEW MEXICO

	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
EMPLOYMENT[1]	30,700	33,300	32,100	33,700	36,600	37,500	35,100	31,600	-10.0
VALUE OF CONTRACTS AWARDED									
Total ($000s)	$955,790	$1,397,856	$1,354,225	$2,040,090	$1,795,606	$1,770,642	$1,594,236	$1,517,448	- 4.8
Residential	496,149	370,661	412,456	628,529	743,463	790,136	722,590	618,414	-14.4
Nonresidential	231,709	406,357	488,854	680,023	680,339	596,469	515,246	481,625	- 6.5
Nonbuilding	227,932	620,838	452,915	731,538	371,804	384,037	356,400	417,409	17.1
BUILDING PERMITS									
Total Value ($000s)[2]	$ na	$ 679,000	$ 770,938	$ 952,745	$1,210,109	$1,097,929	$1,031,479	$ 828,042	-19.7
New Residential									
Value ($000s)	$382,619	$ 324,096	$ 346,374	$ 493,158	$ 683,631	$ 567,041	$ 603,833	$ 546,499	- 9.5
Number of Units Permitted									
Single Family	8,865	5,630	5,540	8,081	7,955	7,150	8,122	7,271	-10.5
Multifamily	4,802	2,322	3,060	2,733	8,570	4,640	3,391	1,930	-43.1
New Nonresidential									
Value ($000s)	$ na	$ 248,850	$ 302,402	$ 320,479	$ 384,896	$ 379,376	$ 242,383	$ 191,437	-21.0
Number of Permits	na	2,280	2,493	2,480	2,591	2,473	2,973	2,034	-31.6

na Not available.
p Preliminary.
1 Monthly averages.
2 Total value includes new residential value, new nonresidential value, and the value of all additions and alterations (not shown separately).
Source: New Mexico Department of Labor; F.W. Dodge Division, McGraw-Hill Information Systems Co.; and U.S. Department of Commerce, Bureau of the Census.




TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED
Millions of Dollars
2200
2000
1800
1600
1400
1200
1000
800
1981
1982
1983
1984
1985
1986
1987

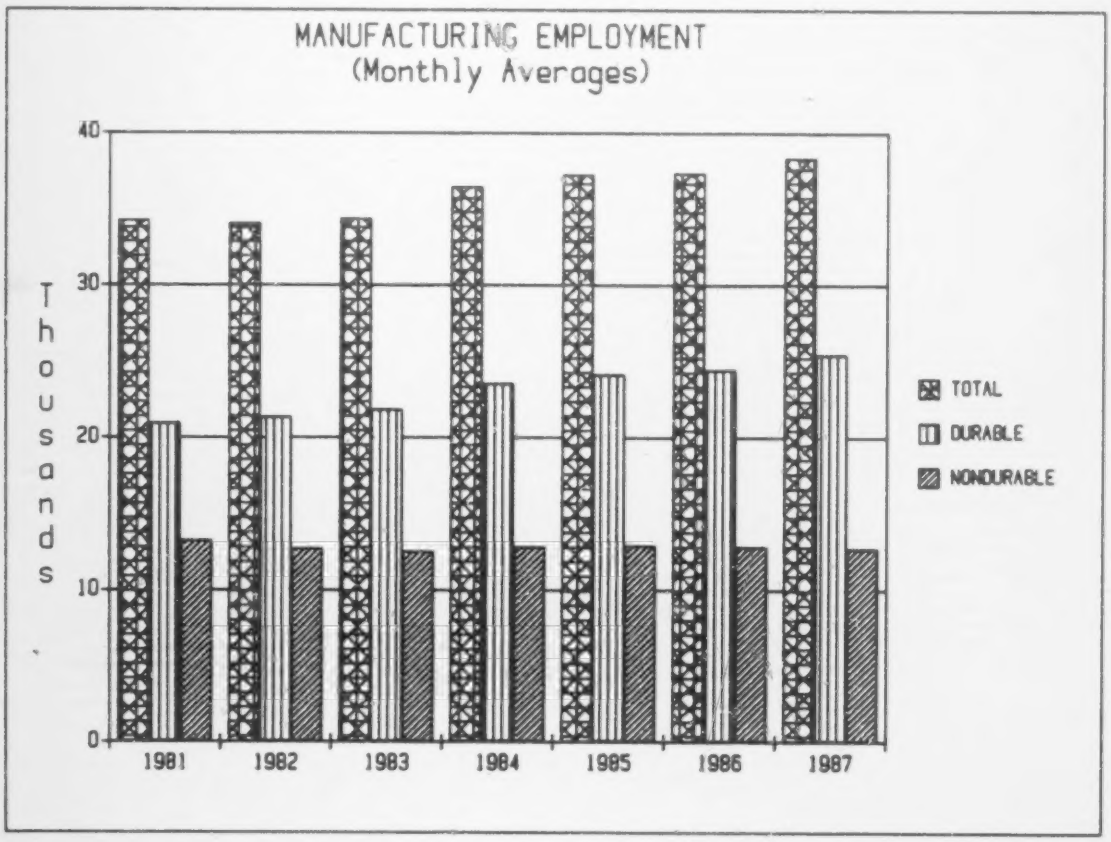

CONSTRUCTION EMPLOYMENT IN NEW MEXICO
(Monthly Averages)
Thousands
38
37
36
35
34
33
32
31
30
1981
1982
1983
1984
1985
1986
1987

MANUFACTURING

MANUFACTURING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
TOTAL	32,200	34,300	34,100	34,400	36,500	37,300	37,400	38,400	2.7
Durable Goods	18,700	21,000	21,400	21,900	23,600	24,200	24,500	25,500	4.1
Lumber & Wood Products	3,200	2,600	2,100	2,300	2,600	2,600	2,700	2,600	- 3.7
Electrical Equipment	3,300	3,500	4,400	4,900	6,400	5,900	4,800[1]	4,900[1]	2.1
Transportation Equipment	2,200	3,800	4,100	3,900	3,500	4,000	4,100	4,700	14.6
Other	10,000	11,200	10,900	10,700	11,200	11,700	13,000	13,400	3.1
Nondurable Goods	13,500	13,300	12,800	12,600	12,900	13,000	12,900	12,800	- 0.8
Food & Kindred Products	4,700	4,100	3,900	4,000	4,100	4,200	4,200	4,100	- 2.4
Textile & Apparel	3,600	3,600	3,000	2,600	2,500	2,400	2,400	2,600	8.3
Other	5,200	5,700	5,900	6,000	6,300	6,500	6,300	6,100	- 3.2
Average Weekly Hours	38.8	39.5	39.2	39.7	39.9	39.8	39.5	39.7	0.5
Average Weekly Earnings	$171.88	$258.33	$283.02	$301.72	$318.40	$334.72	$345.63	$346.98	0.4

* Detail may not add up to total because of rounding.
p Preliminary.
1 Declines in the electrical equipment sector are partly due to classification changes that moved a substantial number of workers into another manufacturing group.
Source: New Mexico Department of Labor.

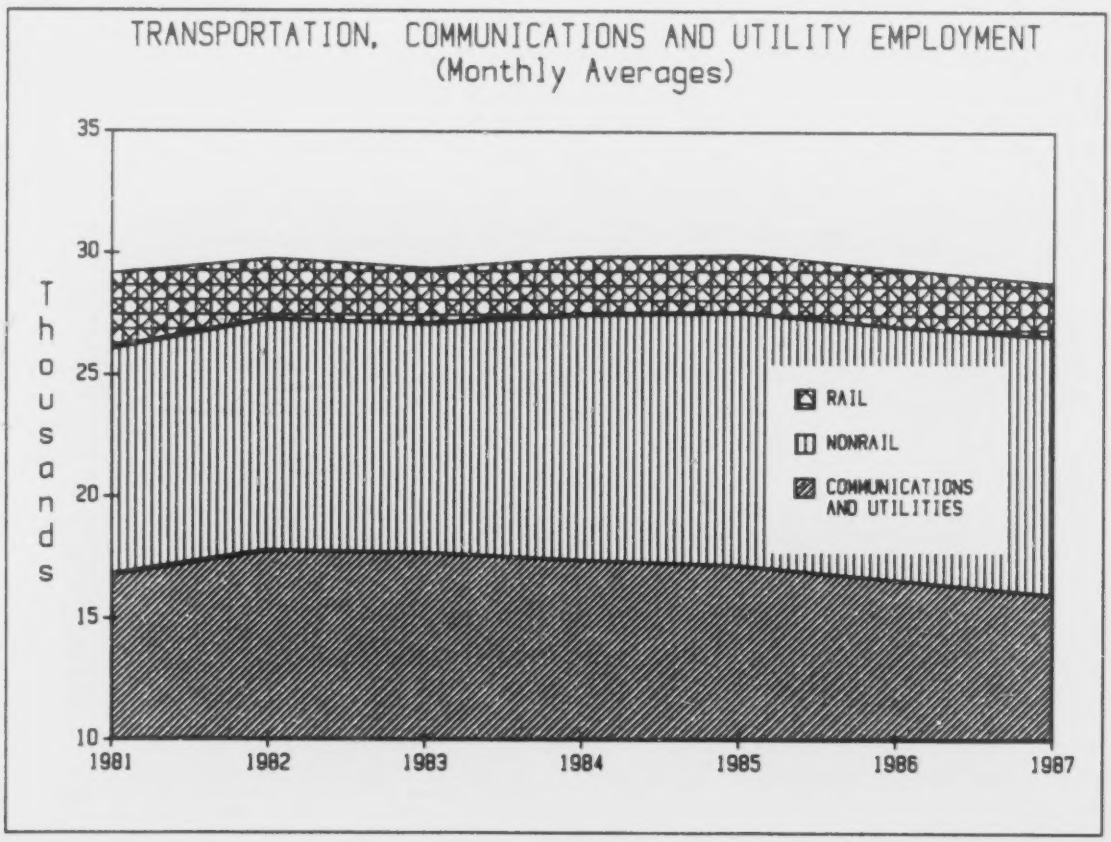


TRANSPORTATION, COMMUNICATIONS AND UTILITIES

EMPLOYMENT IN TRANSPORTATION, COMMUNICATIONS AND UTILITIES IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987p	% Change 1986-1987
TOTAL	24,600	29,200	29,900	29,500	30,000	30,000	29,400	28,700	-2.4
Rail	2,800	3,100	2,500	2,300	2,400	2,400	2,400	2,200	-8.3
Nonrail	8,300	9,300	9,500	9,400	10,100	10,400	10,400	10,600	1.9
Trucking & Warehousing	5,100	5,700	5,700	5,500	6,000	6,200	6,000	6,000	0.0
Other Transportation	3,200	3,600	3,800	3,900	4,100	4,200	4,400	4,600	4.5
Utilities & Communications	13,400	16,800	17,800	17,700	17,400	17,200	16,600	16,000	-3.6
Communication	6,100	7,500	8,000	8,000	7,700	7,400	6,900	6,800	-1.4
Electric, Gas & Sanitary Utilities	7,300	9,300	9,800	9,700	9,700	9,800	9,700	9,100	-6.2

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.

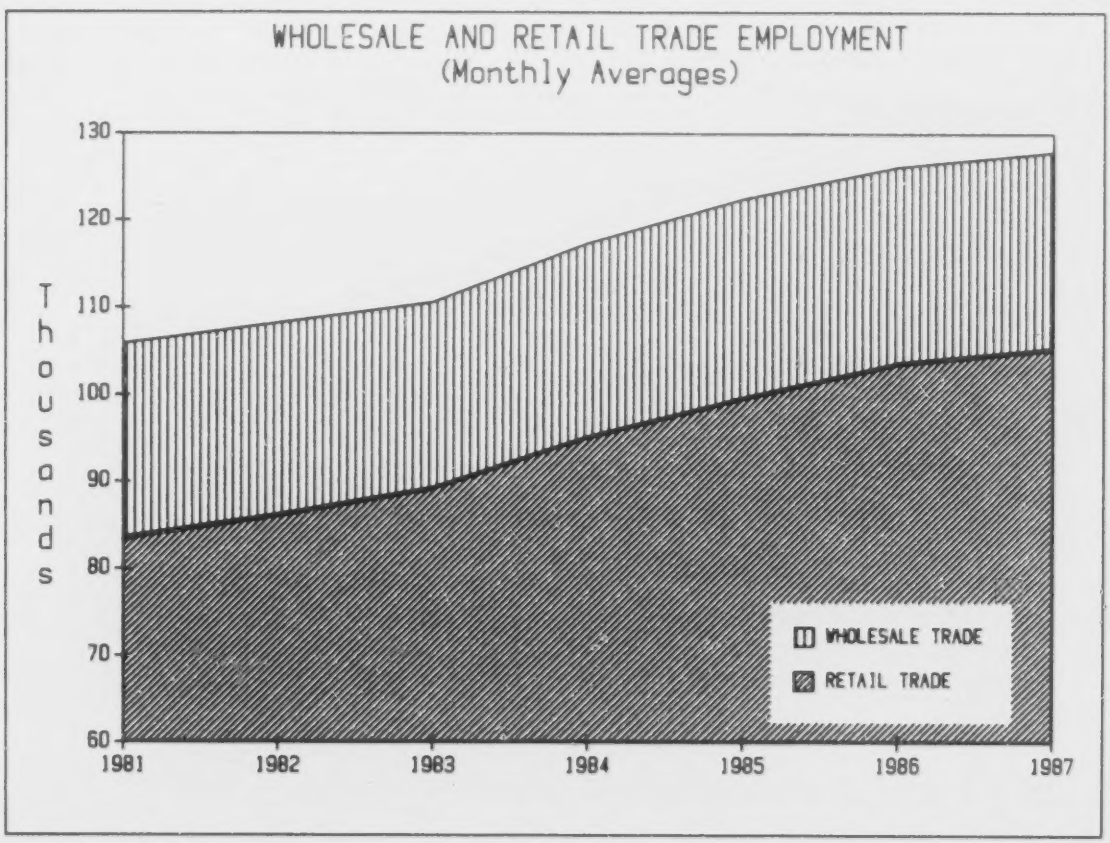


WHOLESALE AND RETAIL TRADE

WHOLESALE AND RETAIL TRADE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
TOTAL	95,500	106,000	108,300	110,700	117,500	122,600	126,300	128,000	1.3
Wholesale	18,800	22,500	22,200	21,500	22,400	23,000	22,700	22,700	0.0
Retail	76,700	83,500	86,100	89,200	95,100	99,600	103,600	105,300	1.6
Average Weekly Hours[1]	36.0	35.2	35.7	35.4	32.2	33.0	32.2	32.6	1.2
Average Weekly Earnings[1]	$166.32	$235.14	$243.47	$249.22	$211.55	$219.45	$217.99	$221.03	1.4

* Detail may not add up to total because of rounding.
p Preliminary.
1 Sectors combined, excludes eating and drinking establishments through 1983.
Source: New Mexico Department of Labor.

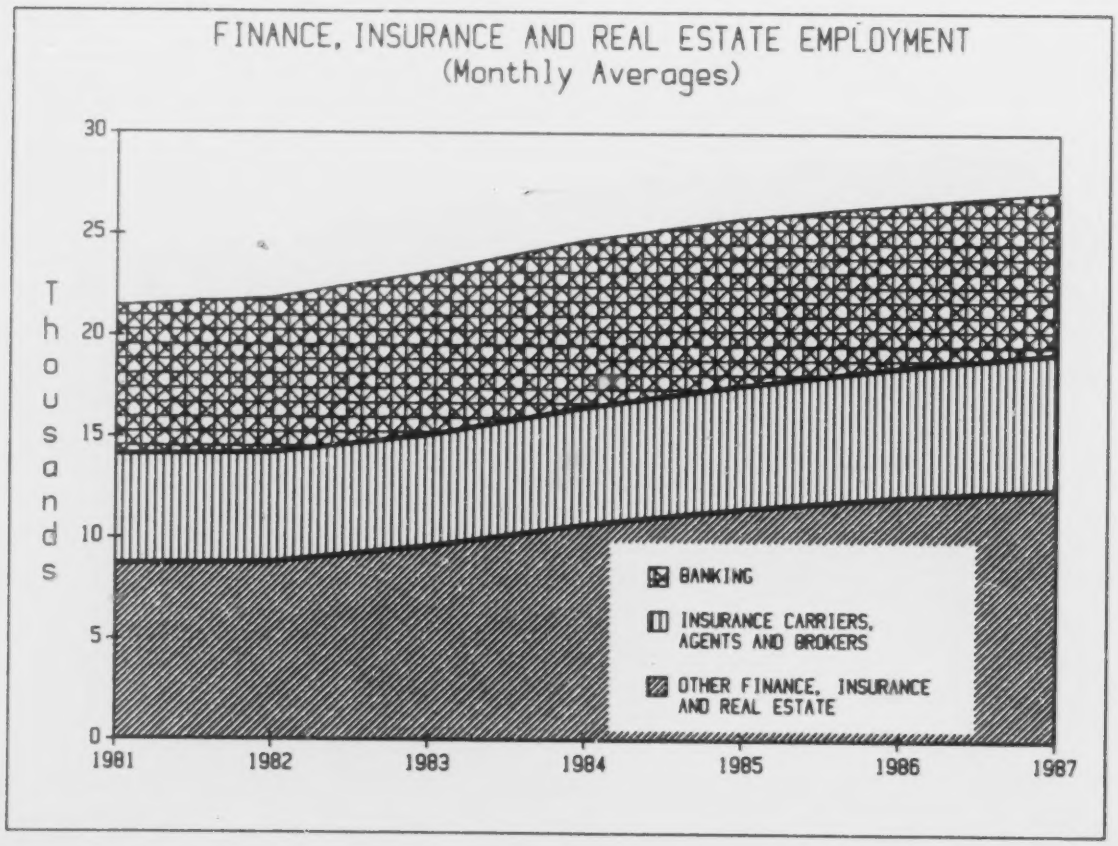


FINANCE, INSURANCE AND REAL ESTATE

FINANCE, INSURANCE AND REAL ESTATE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
TOTAL	18,300	21,500	21,900	23,200	24,700	25,800	26,600	27,100	1.9
Banking	6,000	7,400	7,700	8,100	8,300	8,300	8,100	8,000	-1.2
Insurance Carriers, Agents & Brokers	4,700	5,400	5,400	5,500	5,800	6,100	6,400	6,700	4.7
Other Finance, Insurance & Real Estate	7,600	8,700	8,800	9,600	10,700	11,500	12,100	12,500	3.3

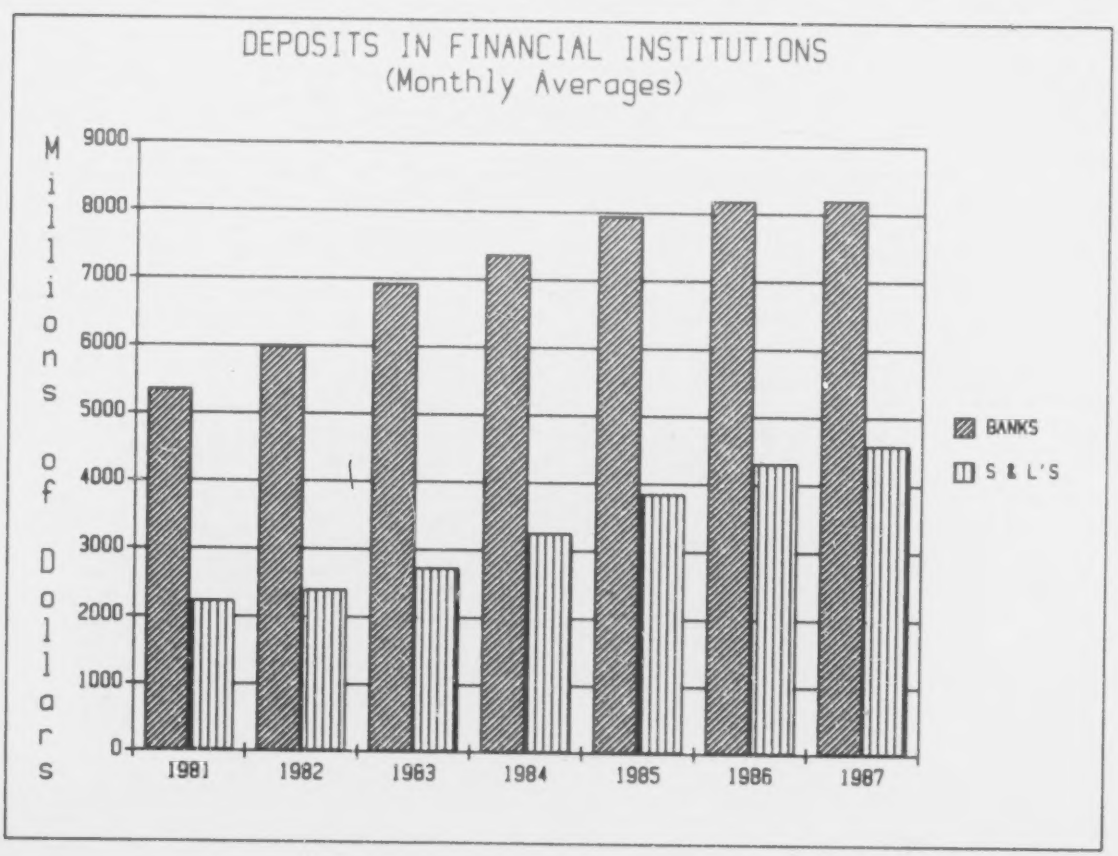
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



FINANCIAL ACTIVITY
($ Millions)

FINANCIAL INSTITUTIONS	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
Banks[1]									
Assets	$3,917	$6,328	$7,115	$8,057	$8,648	$9,182	$9,516	$9,579	0.7
Deposits	3,496	5,368	6,007	6,935	7,376	7,956	8,196	8,212	0.2
Gross Loans	2,220	3,400	3,816	4,253	5,000	5,466	5,608	5,664	1.0
Savings & Loan Associations[2]									
Assets	$ na	$2,724	$2,932	$3,411	$4,043	$4,640	$5,360	$6,043	12.7
Deposits	1,361	2,241	2,408	2,742	3,268	3,862	4,326	4,597	6.3
Mortgage Loans Closed	na	357	455	980	1,364	1,471	1,820	1,516	-16.6
MISCELLANEOUS									
Life Insurance Sales	$1,281	$2,667	$3,354	$4,142	$4,194	$4,630	$4,734	na	na
New Business Incorporations	2,080	2,588	2,455	2,475	2,878	2,843	2,495	2,200[3]	na

na Not available.
p Preliminary.
1 Midyear figures.
2 Monthly averages.
3 Total for the first eleven (11) months of the year.
Source: The Federal Reserve Bank; Federal Home Loan Bank of Dallas; Life Insurance Fact Book, various issues; and Dun & Bradstreet, Inc.

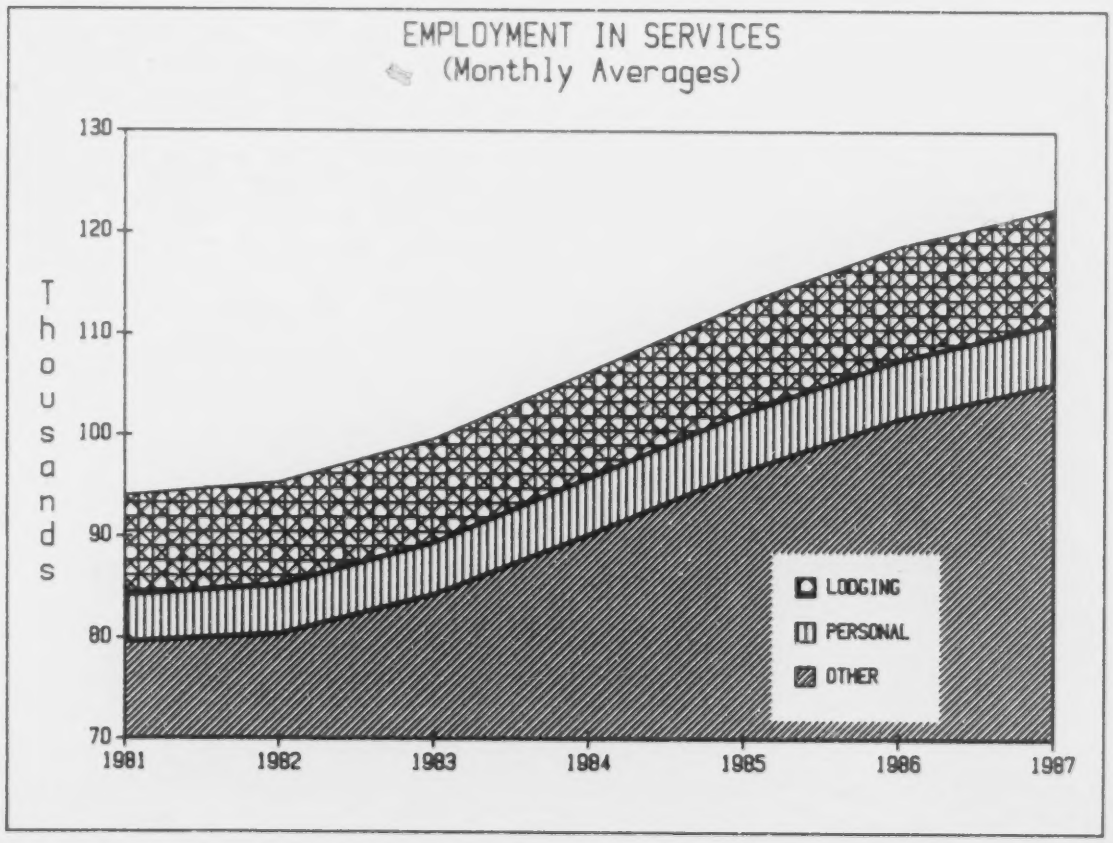


SERVICES, RECREATION AND TOURISM

EMPLOYMENT IN SERVICES IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987p	% Change 1986-1987
TOTAL	79,700	94,100	95,500	99,700	106,300	113,200	118,900	122,500	3.0
Lodging Establishments	9,000	9,900	10,200	10,300	10,600	10,900	11,300	11,400	0.9
Personal	4,300	4,600	4,800	5,100	5,600	5,800	5,800	5,900	1.7
Business	15,400	20,400	21,000	22,000	24,400	26,700	28,500	29,400	3.2
Health	17,000	22,300	23,800	25,100	26,000	27,100	29,300	30,400	3.8
Social	10,100	8,900	6,600	6,600	7,000	7,100	6,900	6,800	-1.4
Nonprofit Organizations	4,800	4,900	4,800	5,400	5,700	6,300	6,400	6,700	4.7
Other	19,000	23,100	24,200	25,200	27,100	29,300	30,600	31,900	4.2

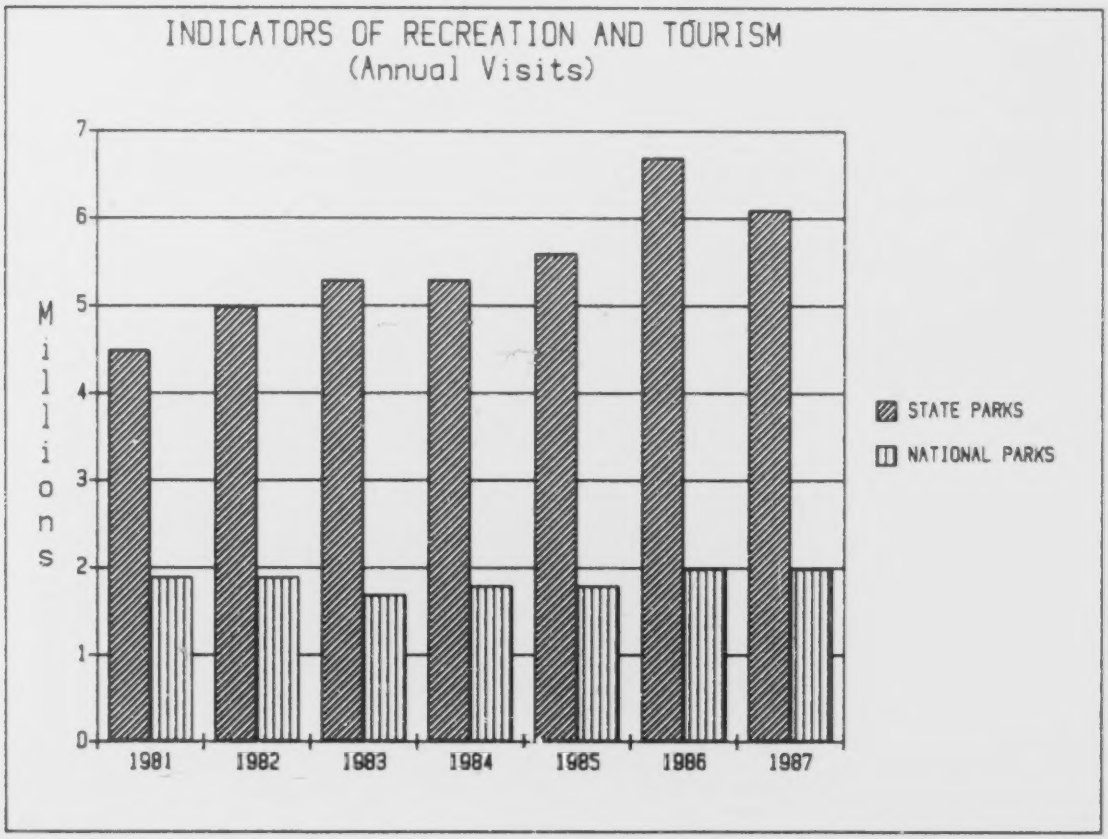
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



INDICATORS OF RECREATION AND TOURISM IN NEW MEXICO

	1977	1981	1982	1983	1984	1985	1986	1987[p]	% Change 1986-1987
AVERAGE MONTHLY EMPLOYMENT									
Lodging Establishments	9,000	9,900	10,200	10,300	10,600	10,900	11,300	11,400	0.9
Eating & Drinking Places	23,300	27,800	29,500	31,500	33,700	35,400	37,500	39,300	4.8
VISITS TO NATIONAL PARKS & MOUNMENTS									
Annual Total	1,981,370	1,850,906	1,866,398	1,732,720	1,782,960	1,773,500	2,004,690	1,969,390	-1.8
Quarterly Total: I	247,030	263,734	263,433	243,460	255,030	232,870	368,110	290,640	-21.0
II	610,220	598,004	619,139	530,390	604,540	573,940	608,490	634,350	4.2
III	826,520	709,336	731,139	712,230	665,670	691,290	748,420	763,430	2.0
IV	297,600	279,832	252,687	246,640	257,720	275,400	279,670	280,970	0.5
VISITS TO STATE PARKS									
Annual Total	2,910,393	4,502,456	4,951,065	5,323,311	5,332,883	5,619,812	6,680,095	6,099,071	-8.7

p Preliminary.
Source: New Mexico Department of Labor; U.S. Department of the Interior, National Park Service; and the New Mexico Energy, Minerals and Natural Resources Department, Park and Recreation Division.

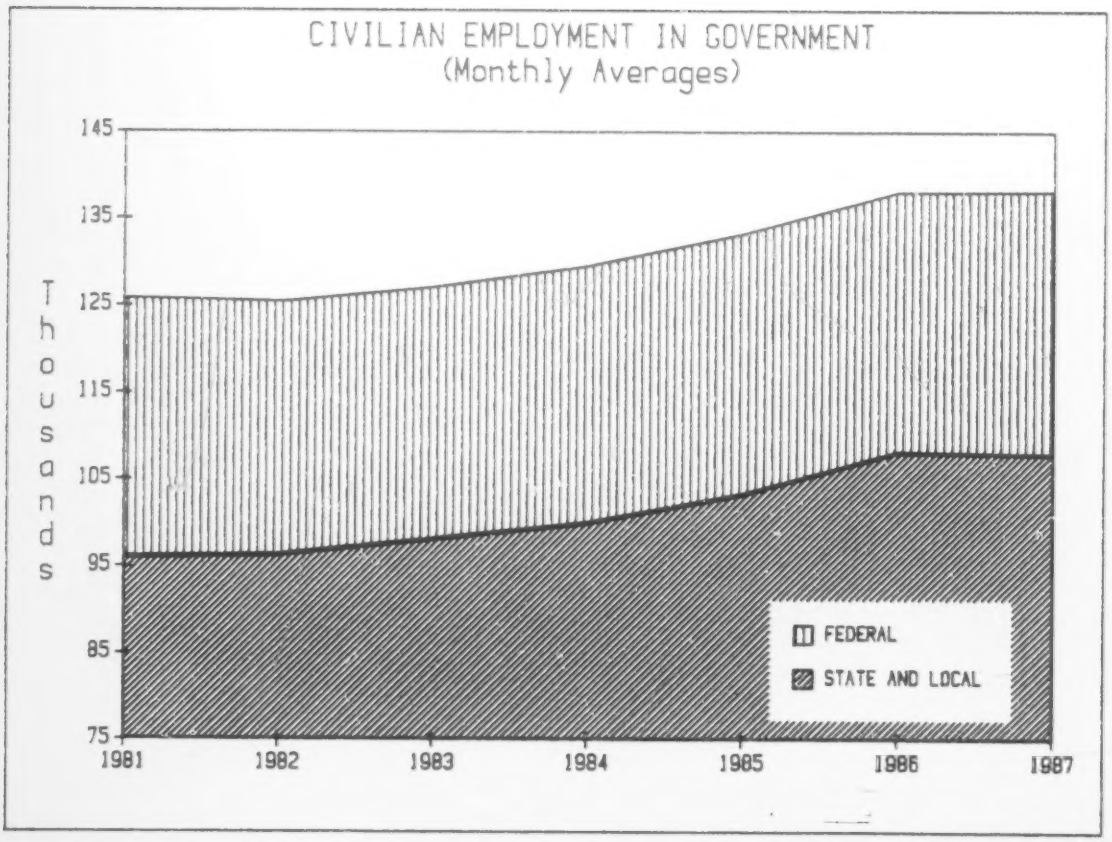


GOVERNMENT EMPLOYMENT

CIVILIAN EMPLOYMENT IN GOVERNMENT IN NEW MEXICO*
(Monthly Averages)

	1977	1981	1982	1983	1984	1985	1986	1987p	% Change 1986-1987
TOTAL	111,000	125,800	125,600	127,200	129,700	133,300	138,200	138,200	0.0
Federal	28,300	29,900	29,200	29,100	29,700	30,100	30,000	30,400	1.3
State & Local	82,700	96,000	96,300	98,100	100,000	103,300	108,200	107,900	-0.3
State	35,500	44,100	43,100	43,600	44,600	47,200	50,600	48,500	-4.2
Local	47,200	51,900	53,200	54,500	55,400	56,100	57,600	59,400	3.1

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Department of Labor.



Six Myths About New Mexico

Myths represent imagination. In literature, they are fictional flights of fancy; in science, they are qualitative leaps made without benefit of a quantitative net. Not really science fiction, but not wholly accurate, these myths derive from a bit of data that has been extrapolated too far, pushed too hard.

The origin of myths is rarely known. Sometimes anecdotal evidence that should be used to illustrate a trend is substituted for proof. Other times, summary statistics that are unencumbered by detailed analysis or multivariate data bases are offered as facile explanations. Look before you leap. . . .

MYTH NUMBER 1

New Mexico is a hick state.

"Hick" conjures up country scenes—of a population simple, rural, a bit backward perhaps or at least out-of-step with today's rapid pace. Typical of a sparsely-populated state like New Mexico? New Mexico is sparsely populated, but it is neither rural nor backward.

Over 70 percent of the population is settled in urban areas—more than all of the southern states (excepting Florida and Texas) and many of the industrial "Rustbelt" states like Michigan and Pennsylvania. This is an urban state with the capability not only to keep pace, but occasionally to lead.

New Mexicans have introduced new ideas and new approaches to old problems that belie a backward image. Given the state's ranking as number 2 in scientists per capita and number 1 in Federal and number 3 in university research and development spending, it is not surprising that the inception of personal computers and the Microsoft Corporation can be traced to Albuquerque, New Mexico.[1] A more diverse example is available from population studies: New Mexico is the origin of the Census Bureau's program to provide redistricting data for voting districts or precincts to the states. Prior to Pubic Law 94-171, redistricting data were provided by census geographic areas rather than precincts, which posed a problem if the boundaries differed. P.L. 94-171 was introduced in 1973 by the late Rep: Harold Runnels after the state legislature's problems with redistricting in 1972.

MYTH NUMBER 2

Out-of-state business is vital to state economic growth.

Most of the new jobs in any state's economy are created by resident businesses and entrepreneurs, not by outsiders. The popularity of courting out-of-state business development can overshadow the contribution of small, home-grown business to economic growth.

Employment in small business-dominated sectors increased eight times faster than in large-business-dominated sectors in 1986, 1,005,000 jobs to 97,000 jobs nationally.[2] Data from the Small Business Administration emphasize the increasing contribution of small businesses to job growth from 1976 to 1984. For the U.S., employment increased by almost 25 percent for all firms, compared to 36 percent among businesses with under 20 employees and 30 percent among businesses with less than 500 employees. In New Mexico, total employment growth was faster at 44 percent, 1976-1984, as were gains among smaller firms, 52 percent for businesses with under 20 employees and 46 percent for businesses with fewer than 500 employees.

Small businesses play a key role in the development of growing industries through employment and new starts. Although the failure rate is also higher for small businesses, that too contributes to their predominant role in economic change. Small businesses can introduce new ideas and new technologies more quickly and respond faster to market changes.

Although the long-term decline of small businesses has been reversed recently, the current force of small business growth may not signal a new trend so much as the shift from a manufacturing-based economy to a service economy. There is evidence of growth in the size of traditionally smaller businesses in both retail and service sectors. Expansion is the natural progression of business development, and the challenge is to create a climate conducive to continued development.

MYTH NUMBER 3

Statewide statistics show activity statewide.

Statewide statistics actually show the average of growth in some areas and decline in others. Discrepant trends are smoothed to the point of imparting little information about actual activity within the state. Population and employment growth in New Mexico appeared moderate from 1980 to 1986, at about 13.5 percent each, but variation among counties was extreme. Population change ranged from a loss of 24 percent in Cibola County to a gain of 49 percent in Sandoval County; employment change, from –46 percent to +68 percent (same counties).

Growth in New Mexico has been confined to the Rio Grande corridor—from Santa Fe and Los Alamos down to Dona Ana County. The balance of the state has sustained some significant losses. Employment in the counties along the Rio Grande corridor increased by over 26 percent from 1980 to 1986 (almost twice the state average), while counties in the balance of the state lost about 4 percent of their jobs. Unemployment statewide was 9.2 percent in 1986—compared to 6.5 percent in the Rio Grande corridor and 13.1 percent in the balance of the state.

Population trends were less discrepant because natural increase maintained population growth despite losses from out-migration in the balance of the state. However, counties in the Rio Grande corridor contributed over two-thirds of the total growth in the state through 1986 and all of the gains from migration. Counties in the Rio Grande corridor represent 55 percent of the state's population and 63 percent of its jobs.

MYTH NUMBER 4

Economic growth creates population growth.

Above-average population growth, such as New Mexico has experienced since 1970, is attributed commonly to the availability of jobs and the in-migration that is attracted by economic opportunity. But half of New Mexico's rapid population growth in the 1970s was due to natural increase (births minus deaths). Natural increase also sustained population growth through the extended out-migration of the 1960s, and it has become increasingly important (64 percent of total growth) in the 1980s. High birth rates have been as significant as migration in New Mexico's population trends.

In fact, high birth rates also affected the flow of migration in the 1970s. Migration peaks between the ages of 18 and 35 years when people are moving away from their parents' home to attend college or to start jobs and set up their own households. In the 1970s, the baby boom included ages 18 to 35 years—more people, more migrants.

Even limiting the effects of economic growth to migration does not wholly justify this myth. Economic opportunity does exert a "pull" on in-migration, but that is only half of the picture. The other half is the effect of population growth upon economic change. Consider the influence of population change upon state and local government, construction, retail trade, and personal services. The needs of a growing population for housing, for municipal services such as police and fire protection, for teachers and educational facilities, or for goods and services create jobs in each of these sectors. The relationship between economic and population change is interactive, not causal.

MYTH NUMBER 5

If houses are being built, people must be moving in.

This myth is probably the most common example of pushing a little bit of data to a lot of conclusion. Housing construction as evidenced by personal observation (worst example) or building permits (better) is assumed to be indicative of population growth, and especially in-migration. Rapid population growth certainly increases the demand for housing, but so can decreasing population growth.

Decreasing birth rates in the 1970s were primarily responsible for the drop in average household size. From 1970 to 1980, average household size decreased by 12 percent nationally and by 15 percent in New Mexico. Fewer persons per household increases the number of households even if the population remains the same. Of course other demographic trends also contributed to the increased demand for housing, for example, the coming of age of the baby boom and rapid increases in the number of single person households. However, none of the trends that depressed average household size was predicated upon total population growth or in-migration.

Thirteen counties in New Mexico lost population through out-migration in the 1970s; however, all but Harding County experienced growth in the number of households, ranging from an increase of 5.8 percent in Union County to 42 percent in Rio Arriba County. Even rapid population growth was overshadowed by household growth. Statewide, the population increased by 28 percent; households, by 53 percent.

Using a more direct measure of housing growth, building permits, just affirms the difference between population and housing trends. The number of residential permits issued from 1980 to 1985 was up slightly from permits issued between 1975 and 1980, but population growth was down by over 4 percent. And migration was down by almost 30 percent.

MYTH NUMBER 6

We are in the midst of another baby boom.

It is true that the annual number of births has risen recently, but not quite to the record levels of the post-war baby boom and not as a result of high fertility rates. The average number of children born to a woman is about half the rates recorded at the peak of the baby boom and below replacement-level fertility (2.1 children per woman) nationally.

In New Mexico, fertility rates remain slightly higher, but the decrease has kept pace with national changes. The number of births in 1986, 27,281, represents 82 percent of the peak, 33,253, in 1960. The ballyhooed rise in births is simply an echo effect of the baby boom—a result of baby boom women entering their childbearing years. As the baby boomers age out of their family-formation stage, births will drop. And another baby bust will be proclaimed.

Lynn Bodin Wombold
Senior Demographer

FOOTNOTES

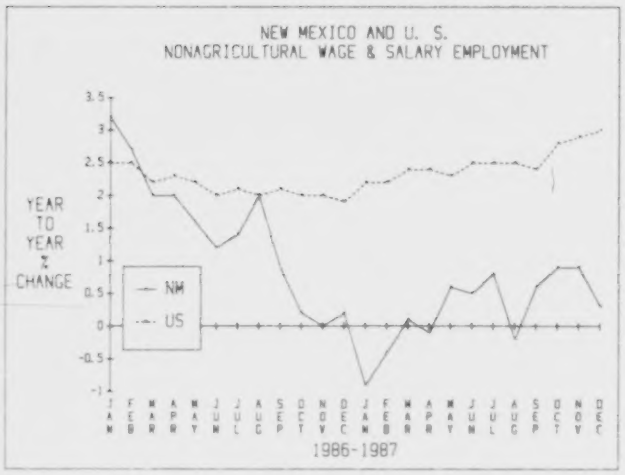
1. Corporation for Enterprise Development, 1987. Making the Grade. Washington, D.C.
2. U.S. Small Business Administration, 1987. The State of Small Business: A Report of the President. U.S. Government Printing Office, Washington, D.C.

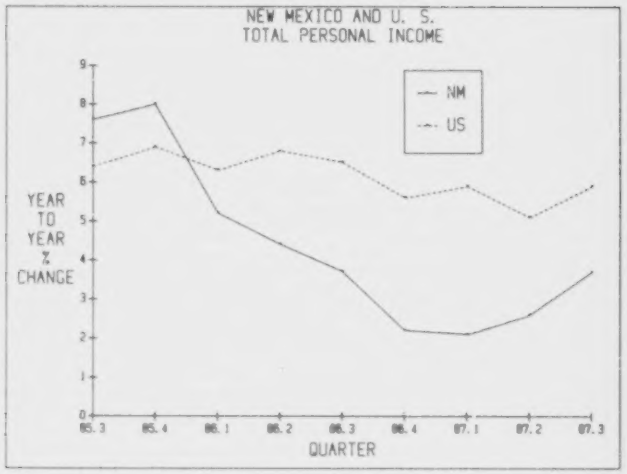
RANKING OF CITIES BY 1986 POPULATION: NEW MEXICO

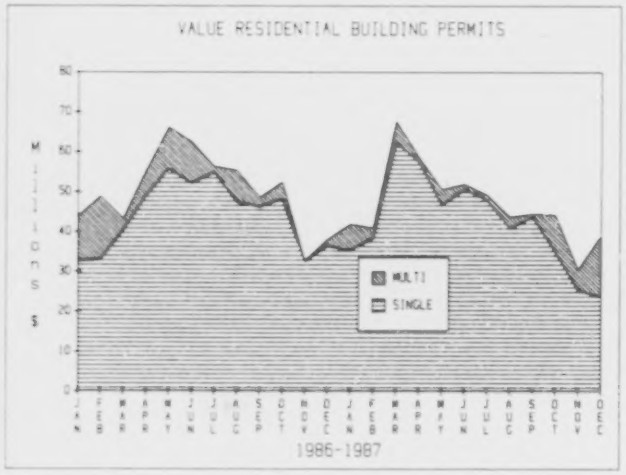
Area	Population July 1,1986	Population April 1,1980	Change 1980-1986 Number	Change 1980-1986 Percent	City Ranking 1986	City Ranking 1980
Albuquerque	366,750	332,336	34,414	10.4%	1	1
Santa Fe	55,980	49,299	6,681	13.6%	2	2
Las Cruces	54,090	45,086	9,004	20.0%	3	3
Roswell	44,110	39,676	4,434	11.2%	4	4
Farmington	39,050	32,677	6,373	19.5%	5	5
Hobbs	34,870	29,153	5,717	19.6%	6	7
Clovis	33,780	31,194	2,586	8.3%	7	6
Alamogordo	27,930	24,024	3,906	16.3%	8	9
Carlsbad	27,850	25,496	2,354	9.2%	9	8
Rio Rancho	26,520	9,985	16,535	165.6%	10	15
Gallup	22,470	18,167	4,303	23.7%	11	10
Las Vegas	15,620	14,322	1,298	9.1%	12	11
Lovington	11,800	9,727	2,073	21.3%	13	18
Artesia	11,620	10,385	1,235	11.9%	14	14
Deming	11,330	9,964	1,366	13.7%	15	16
Silver City	11,190	10,474	716	6.8%	16	13
Portales	10,180	9,940	240	2.4%	17	17
Grants	8,520	11,439	-2,919	-25.5%	18	12
Raton	8,460	8,225	235	2.9%	19	19
Socorro	8,120	7,173	947	13.2%	20	20
Espanola	7,900	6,803	1,097	16.1%	21	21
Tucumcari	7,630	6,765	865	12.8%	22	22
Aztec	7,360	5,512	1,848	33.5%	23	24
Bloomfield	6,980	4,881	2,099	43.0%	24	26
Belen	6,530	5,617	913	16.3%	25	23
T or C	5,880	5,219	661	12.7%	26	25
Sunland Park	5,570	4,313	1,257	29.1%	27	27
Los Lunas	5,420	3,525	1,895	53.8%	28	28
Bosque Farms	3,790	3,353	437	13.0%	29	30
Taos	3,670	3,369	301	8.9%	30	29
Bernalillo	3,610	2,988	622	20.8%	31	33
Clayton	3,340	2,968	372	12.5%	32	35
Corrales	3,310	2,791	519	18.6%	33	36
Eunice	3,240	2,970	270	9.1%	34	34
Los Ranchos	3,210	2,739	471	17.2%	35	37
Lordsburg	3,030	3,195	-165	-5.2%	36	31
Bayard	2,810	3,036	-226	-7.4%	37	32
Mesilla	2,810	2,029	781	38.5%	38	40
Jal	2,740	2,675	65	2.4%	39	38
Tularosa	2,680	2,536	144	5.7%	40	39

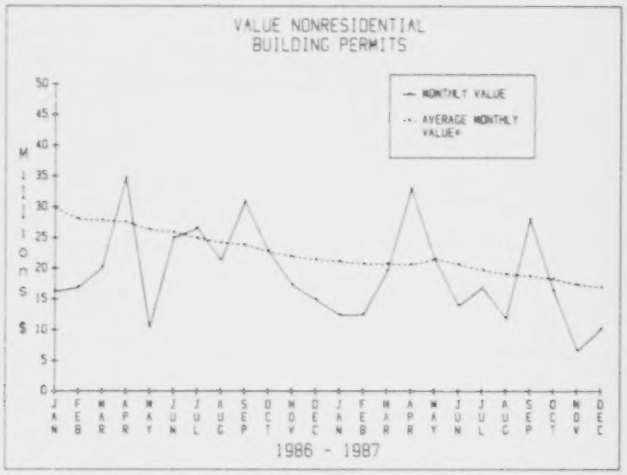
Source: U.S. Bureau of the Census
Notes:
--Population estimates for 1986 are rounded to the nearest 10 for places. All population totals reflect any annexations, incorporations, or revisions since 1980.
--Population change is calculated from the data shown for places.
--Any ties in the 1986 ranks were broken by review of unrounded data.

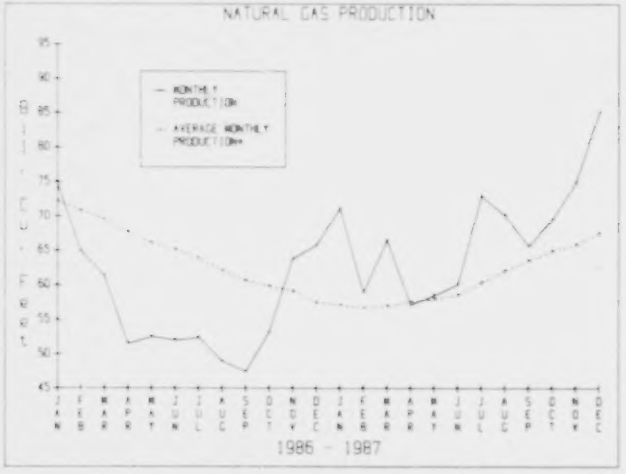
ECONOMIC TRENDS IN NEW MEXICO

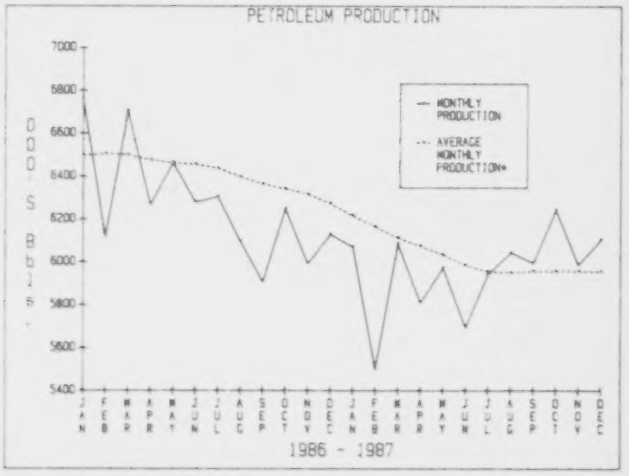












U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1982-84=100)				
All items	Dec 87	115.4	4.4	115.4
Food and beverages	Dec 87	114.8	3.5	114.3
Housing	Dec 87	115.6	3.7	115.5
Apparel and upkeep	Dec 87	112.7	4.8	115.4
Transportation	Dec 87	107.6	6.1	107.8
Medical care	Dec 87	133.1	5.8	132.8
Entertainment	Dec 87	117.4	4.0	117.3
Other goods and services	Dec 87	132.1	6.1	131.8
Revised series, wage earners and clerical workers (1982-84=100)				
All items	Dec 87	114.2	4.5	114.3
Gross national product* ($Bil. constant)	IV 87	3875.1	3.9	3835.9
Prime interest rate** (% per annum)	Dec 87	8.8	16.7	8.8
Mortgage interest rate*** (% per annum)	Dec 87	9.1	-5.5	9.3
3 month treasury bill# (% per annum)	Dec 87	5.8	5.7	5.8
Industrial production## (1977=100)	Dec 87	133.3	5.2	133.1
Manufacturers new orders## ($Bil.)	Nov 87	210.1	10.5	209.4

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Dec 87	626.9	-0.7	631.1	113,679	2.8	113,809
Unemployment rate (%)	Dec 87	8.0	-13.9	8.2	5.4	-14.2	5.6
Nonagricultural employment (000)	Dec 87	536.4	0.4	537.0	104,357	3.1	104,134
Personal income##/# ($Mil.)	III 87	17,568	3.8	17,359	3,757,699	6.0	3,705,166
Housing units permitted							
Single	Dec 87	310	-44.2	380	61,072	-17.3	66,376
Multi	Dec 87	458	689.7	182	32,651	-43.3	34,991

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
\# Rate on new issues within period; bank discount basis.
\#\# Monthly data seasonally adjusted.
\#\#\# Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data,
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
1. GENERAL				
Civilian labor force* (000)	Dec 87	681.5	-2.0	687.4
Total employment* (000)	Dec 87	626.9	-0.7	631.1
Unemployment* (000)	Dec 87	54.6	-15.6	56.3
Unemployment rate (%)	Dec 87	8.0	-13.9	8.2
Weekly new unemployment insurance claims	Dec 87	1402.0	-22.1	1531.0
Nonagricultural wage/salary employment**(000)	Dec 87	536.4	0.4	537.0
New business incorporations	Nov 87	198.0	11.9	190.0
Personal income*** ($ mil.)	III 87	17568.0	3.8	17359.0
2. AGRICULTURAL RECEIPTS				
Livestock and products ($ mil.)	Nov 87	83.3	-17.2	107.6
Crops ($ mil.)	Nov 87	46.0	-0.4	30.9
Total ($ mil.)	Nov 87	129.3	-11.9	138.5
3. MINING				
Employment** (000)	Dec 87	15.6	7.6	15.7
Average hourly earnings ($)	Dec 87	11.99	-0.7	11.72
Petroleum production (000 bbls.)	Dec 87	6105.7	-0.3	5987.2
Natural gas production (bil. cu. ft.)	Dec 87	85.1	29.4	74.9
Coal production (000 short tons)	Dec 87	1352.0	-15.4	1584.0
Oil well completions&	Dec 87	44.0	10.0	55.0
Gas well completions&	Dec 87	21.0	23.6	21.0
Total footage drilled&& (000)	Dec 87	437.6	39.7	435.3
Oil sales ($ mil.)	Oct 87	108.4	37.6	102.5
Gas sales ($ mil.)	Oct 87	93.4	21.2	88.9
4. CONSTRUCTION				
Employment** (000)	Dec 87	30.0	-9.3	31.2
Average hourly earnings ($)	Dec 87	10.52	-5.3	10.92
Residential units permitted	Dec 87	768.0	25.1	562.0
Residential building permits ($ mil.)	Dec 87	39.0	2.4	30.6
Nonresidential building permits ($ mil.)	Dec 87	10.2	-31.5	6.6
Residential construction contracts ($ mil.)	Dec 87	41.8	19.1	31.6
Nonresidential construction contracts ($mil.)	Dec 87	18.3	-36.6	49.7
Nonbuilding construction contracts ($ mil.)	Dec 87	25.0	-17.2	34.0
5. TRANSPORTATION/COMMUNICATION/UTILITIES				
Employment** (000)	Dec 87	29.5	-2.3	29.2
Average hourly earnings## ($)	Dec 87	13.48	10.2	13.80
6. MANUFACTURING				
Employment** (000)	Dec 87	39.4	5.4	39.5
Average hourly earnings ($)	Dec 87	8.82	-2.1	8.87
Electric & electronic equipment employment** (000)	Dec 87	5.2	6.2	5.1
Transportation equipment employment** (000)	Dec 87	5.2	26.9	5.2
Food & kindred products employment** (000)	Dec 87	3.9	-9.3	4.0
Textile & apparel employment** (000)	Dec 87	2.6	8.4	2.6
Lumber & wood products employment** (000)	Dec 87	2.6	-7.1	2.6

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
7. TRADE				
Wholesale employment** (000)	Dec 87	23.1	0.9	22.9
Retail employment** (000)	Dec 87	109.1	2.4	108.0
Average hourly earnings ($)	Dec 87	6.88	3.0	6.87
8. FINANCE/INSURANCE/REAL ESTATE				
Employment** (000)	Dec 87	27.2	2.3	27.3
Bank average hourly earnings ($)	Dec 87	6.13	2.9	6.11
Bank total assets ($ mil.)	III 87	9430.4	-0.8	9578.7
Bank total deposits ($mil.)	III 87	8092.7	-1.5	8212.0
Bank gross loans ($ mil.)	III 87	5671.0	2.4	5663.6
S & L total assets ($ mil.)	Dec 87	6032.0	2.8	6086.0
S & L total deposits ($ mil.)	Dec 87	4645.0	3.2	4622.0
S & L new mortgage loans closed&&& ($ mil.)	Dec 87	70.0	-62.4	80.0
9. SERVICES AND TOURISM				
Total service employment** (000)	Dec 87	122.6	1.1	121.6
Lodging employment** (000)	Dec 87	11.2	1.0	11.2
Eating & drinking places employment** (000)	Dec 87	39.8	5.9	40.0
Visits to state parks (000)	Dec 87	129.3	-36.2	233.4
Visits to national parks/monuments (000)	Dec 87	59.3	-15.6	87.9
Passenger traffic at Albuquerque airport@ (000)	Dec 87	334.3	-5.6	319.2
Lodgers tax receipts ($ 000)	III 87	2680.0	18.2	1910.5
Lodging occupancy rates (%)	Dec 87	44.7	4.5	47.3
10. GOVERNMENT				
Total government employment** (000)	Dec 87	139.9	-1.4	141.6
Federal employment** (000)	Dec 87	29.6	0.0	29.7
State employment** @@ (000)	Dec 87	49.3	-5.7	50.8
Local employment** (000)	Dec 87	61.0	1.5	61.1
Total general fund revenues@@@ ($ mil.)	Dec 87	119.4	-13.6	135.9

Note: selected data items subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
# For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
Communications and utilities only.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,955 as of AUGUST 1986 according to U. S. Dept. of Energy, Public Affairs.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Parnell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE##
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* OCT-DEC	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* JUL-SEP
Alamogordo	$ 14,423	7.2	$ 15,738
Albuquerque	225,739	-2.3	229,366
Artesia	4,723	2.1	4,928
Carlsbad	11,091	-17.1	11,776
Clovis	15,831	2.6	16,717
Deming	5,141	9.2	4,987
Espanola	1,094	-1.1	1,513
Farmington	27,261	6.2	27,887
Gallup	22,093	4.0	22,515
Grants	4,124	14.1	4,674
Hobbs	16,125	10.9	14,318
Las Cruces	34,426	2.2	34,357
Las Vegas	6,232	9.7	5,696
Los Alamos	5,652	-7.2	6,204
Portales	4,861	-25.0	6,002
Roswell	18,035	-2.2	19,223
Ruidoso	5,184	4.4	7,318
Santa Fe	50,134	11.5	54,113
Silver City	8,422	21.1	7,374
Taos	7,264	9.3	8,548
State total	631,498	4.0	649,739

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
\#\# Estimates for May, 1987 based on incomplete data.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.
Note: Due to declining sales activity in Lovington, Grants now replaces Lovington in the top 20 cities.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	DEC. 1987	DEC. 1986	CUMULATIVE TOTAL THROUGH DEC. 1987	CUMULATIVE TOTAL THROUGH DEC. 1986	DEC. 1987	DEC. 1986	CUMULATIVE TOTAL THROUGH DEC. 1987	CUMULATIVE TOTAL THROUGH DEC. 1986
NEW RESIDENTIAL**								
Alamogordo	4	19	246	301	$ 257	$ 871	$ 10,396	$ 13,513
Albuquerque	478	151	3,410	5,209	20,622	10,797	209,377	234,447
Carlsbad	5	4	82	82	200	378	4,553	4,375
Clovis	2	10	96	157	194	699	6,000	9,061
Farmington	5	4	76	93	208	228	4,071	4,035
Hobbs	1	2	26	34	70	101	1,524	1,672
Las Cruces	37	25	678	554	1,994	1,449	29,790	27,234
Los Alamos	1	10	61	82	102	1,005	8,310	9,632
Rio Rancho***	54	62	888	1,182	2,702	3,370	47,558	62,335
Roswell	3	5	185	102	195	211	8,057	4,235
Ruidoso	0	2	67	140	0	198	4,286	7,848
Santa Fe	97	62	567	635	5,574	2,862	30,663	29,769
NEW NONRESIDENTIALr								
Alamogordo	0	7	49	99	0	450	2,353	2,637
Albuquerque	2	1	37	46	3,800	1,100	64,427	64,060
Carlsbad	0	4	59	104	0	21	715	2,015
Clovis	5	1	28	49	197	175	2,470	3,943
Farmington	1	1	27	28	86	3	2,629	4,459
Hobbs	0	0	8	13	0	0	565	1,921
Las Cruces	7	12	147	184	969	193	10,873	14,009
Los Alamos	2	1	19	76	1	3	1,137	4,237
Rio Rancho***	1	8	40	39	87	1,148	9,179	11,039
Roswell	3	6	96	113	365	5	2,758	1,677
Ruidoso	0	1	3	13	0	56	500	1,484
Santa Fe	6	12	62	87	1,077	3,933	11,170	16,099

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
r 1985 data is revised.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** Residential data includes both single and multi family units.
*** City of Rio Rancho reported Rio Rancho data.

Sources: City of Rio Rancho: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r
TOTAL CIVILIAN LABOR FORCE	681.5	-2.1	687.4	260.4	-1.8	263.2	55.4	-3.8	57.3	65.0	0.0	65.1
Employment@	626.9	-0.7	631.1	244.6	-1.5	246.2	51.8	-3.7	53.2	61.5	0.5	61.8
Unemployment	54.6	-15.6	56.3	15.8	-7.0	17.0	3.6	-5.2	4.1	3.5	-7.8	3.4
Unemployment rate (%)	8.0	-13.9	8.2	6.1	-4.6	6.5	6.5	0.0	7.1	5.4	-6.8	5.2
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	536.4	0.4	537.0	234.7	1.2	235.0	41.2	-2.6	41.2	54.9	2.9	54.7
Mining	15.6	7.6	15.7	0.1	-49.9	0.2	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	30.0	-9.3	31.2	15.3	-5.5	15.8	2.1	-8.6	2.1	2.5	-7.4	2.5
Manufacturing	39.4	5.4	39.5	20.2	1.6	20.2	4.1	7.9	4.3	1.7	6.3	1.7
Durable goods	26.7	9.0	26.7	14.6	2.1	14.6	1.7	6.3	1.8	1.1	10.0	1.1
Nondurable goods	12.7	-1.5	12.8	5.6	0.0	5.6	2.4	9.1	2.5	0.6	0.0	0.6
Transportation & public utilities	29.5	-2.3	29.2	12.6	0.0	12.5	1.3	-7.1	1.3	1.3	8.4	1.2
Trade	132.2	2.1	130.9	61.8	2.5	61.3	8.9	11.3	8.4	11.0	4.8	10.9
Wholesale	23.1	0.9	22.9	14.3	0.8	14.2	0.9	0.0	0.9	0.8	0.0	0.8
Retail	109.1	2.4	108.0	47.5	3.1	47.1	8.0	12.7	7.5	10.2	5.2	10.1
Finance, insurance, & real estate	27.2	2.3	27.3	15.1	4.9	15.0	1.6	0.0	1.6	2.0	0.0	2.0
Services	122.6	1.1	121.6	63.9	0.8	63.6	6.5	6.6	6.5	14.3	4.4	14.3
Government	139.9	-1.4	141.6	45.7	1.6	46.4	16.6	-12.6	16.9	22.0	1.9	22.0
Federal	29.6	0.0	29.7	13.0	0.8	12.9	4.3	0.0	4.3	1.5	0.0	1.6
State	49.3	-5.7	50.8	12.2	-3.9	13.0	6.9	-28.1	7.2	16.4	1.3	16.3
Local	61.0	1.5	61.1	20.5	5.7	20.5	5.4	5.9	5.4	4.1	5.2	4.1

N Not available, less than 50 jobs.
p Preliminary.
r Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

Source: New Mexico Department of Labor.

1987 State Population Estimates

New Mexico's population is estimated at 1.5 million in 1987, an increase of 1.43 percent from 1986. For the record, this is an 18-year low in population growth in New Mexico. However, it is not a surprise. From an average annual increase of 2 percent, 1980-1985, population growth was projected to decrease to an average of 1.73 percent annually, 1985-1990. The 1987 estimate marks an average increase of 1.68 percent since 1985.

Of course, the release of 1987 estimates for states also included revisions for previous years. Just to keep things interesting, the Census Bureau revised not only 1986 estimates, but also totals for 1981-1985. Changes in estimates for New Mexico, however, reflect minor adjustments made to accommodate upward revisions in other states. Slight downward adjustments in our data represent less than 0.1 percent in each year. Published estimates, which are rounded to the nearest thousand for states, will change only for 1981 (to 1,335,000) and 1985 (to 1,450,000).

	Estimate (000)			1980-1987 Change	
State	July 1, 1987	July 1, 1986	April 1, 1980	Number	Percent
United States	243,400	241,096	226,546	16,854	7.4
Mountain	13,167	12,982	11,373	1,794	15.8
Arizona	3,386	3,279	2,718	668	24.6
Colorado	3,296	3,266	2,890	406	14.1
Idaho	998	1,002	944	54	5.8
Montana	809	817	787	23	2.9
Nevada	1,007	967	800	207	25.8
New Mexico	1,500	1,479	1,303	197	15.1
Utah	1,680	1,664	1,461	219	15.0
Wyoming	490	507	470	21	4.4

Source: U.S. Bureau of the Census

Rebasing the Consumer Price Index

The U.S. Department of Labor, Bureau of Labor Statistics (BLS), publisher of the Consumer Price Index (CPI), has announced that beginning in January 1988 the current reference base, 1967 = 100, shifted to a new reference base, 1982-1984 = 100. The three years; 1982, 1983 and 1984 were chosen for the new reference base to coincide with the updated expenditure weights. Those weights are based upon data tabulated from the Consumer Expenditure Surveys for 1982, 1983 and 1984.

To aid in the change over, the BLS released conversion factors for the CPI-U and CPI-W. Multiplication by a conversion factor will rebase the related index series from the 1967 = 100 reference base to the 1982-1984 = 100 reference base. The conversion factors for the U.S. City Average, All Items CPI-U and CPI-W are: .3338279 and .3357175, respectively. For example, the 1967 = 100 based U.S. City Average, All Items CPI-U for January 1987 is 333.1. When multiplied by the appropriate conversion factor (.3338279) the index becomes 111.2 on a 1982-1984 = 100 base. Comparing the newly rebased number to the current CPI-U for January 1988, 115.7, results in a percent change of 4.0 percent.

Additionally, the Producer Price Index (PPI) has been rebased from 1967 = 100 to 1982 = 100. The conversion factor for the PPI All Commodities Index is .33412697. Again, by multiplying any index number from the base year 1967 = 100 time-series by the conversion factor you will get the index number for the new reference base 1982 = 100.

The percent increase or decrease for both the CPI and PPI will remain unchanged. However, it should be noted that due to rounding effects, there may be occasional minor differences between the final rebased index and the result obtained using the conversion factor.

For any further questions or assistance, please call the Bureau of Business and Economic Research—Data Bank at 277-6626. The Data Bank has the complete set of conversion factors along with the rebased CPI All Items time-series, 1913-1987.

Juliana C. Boyle
Economist

Now Available

Albuquerque Census Tract Map With Data

The Data Bank now has available a census tract map for Albuquerque City with the following 1980 data listed for each census tract: total population, median age, percent of households earning $35,000 or more and percent of persons 65 and over. The map sells for $10.00 and can be ordered through the Data Bank at 277-6626.

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